

JPRS 82757

28 January 1983

West Europe Report

No. 2095



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

28 January 1983

WEST EUROPE REPORT

No. 2095

CONTENTS

THEATER FORCES

NORWAY

Labor Party Deputy Chief Worried Over NATO Issue (Einar Forde; AFTENPOSTEN, 8 Jan 83).....	1
Paper Lauds Bondevik Stand on NATO Missiles (Editorial; AFTENPOSTEN, 4 Jan 83).....	4
Grass Roots Movement Steps Up Campaign Against NATO Missiles (Liv Hegna; AFTENPOSTEN, 6 Jan 83).....	6
Labor Party Youth Wing Wants Broad Anti-Missile Agreement (Morten Malmo; AFTENPOSTEN, 7 Jan 83).....	8
Briefs Teachers' Organization Against Missiles	10

TERRORISM

SPAIN

Series Examines International Ties of ETA (Jesus Duva; YA, 23, 24 Dec 82).....	11
ETA's Capacity for Naval, Nuclear Actions (Fernando Reinlein; DIARIO 16, 27 Dec 82).....	16

ENERGY ECONOMICS

FINLAND

Briefs

Forty Percent of Power is Nuclear 18

SWEDEN

Devaluation Has Made Nuclear Power Half as Costly as Oil
(Bo Ostlund; SVENSKA DAGBLADET, 3 Dec 82)..... 19

TURKEY

Meeting Costly Energy Needs Examined
(Fahir Ilkel; DUNYA, 28 Dec 82)..... 21

ECONOMIC

NORWAY

Benkow Sees Almost Five Percent 1983 Purchasing Power Drop
(ARBEIDERBLADET, 10 Dec 82)..... 24

Unemployment Now in Excess of 50,000
(ARBEIDERBLADET, 9 Dec 82)..... 26

SPAIN

Solchaga on Economic, Industrial, Energy Policy
(Carlos Solchaga Interview; EL PAIS, 20 Dec 82)..... 27

Problems With Regional Industrial Development Societies
(Carmen Baztan; TIEMPO, 27 Dec 82)..... 34

Collective Bargaining Starts as Union Delegates Received
(ABC, 4 Jan 83)..... 39

No Rise Registered in Domestic Demand for 1982
(ABC, 4 Jan 83)..... 41

TURKEY

Ketenci Eyes Worker Prospects With 1983 Wages
(Sukran Ketenci; CUMHURIYET, 23 Dec 82)..... 43

Differences Between Tusiad, Tisk Leaders Questioned
(Yalcin Dogan; CUMHURIYET, 22 Dec 82)..... 45

Quest for Balance of Payments Assessed (DUNYA, 28 Dec 82).....	47
---	----

POLITICAL

DENMARK

Debate Over NATO Missiles Points Up Problems of SDP in Opposition (Solveig Rosgaard; BERLINGSKE TIDENDE, 12 Dec 82).....	50
Poll Shows Most Think Schluter Government Doing Job Well (Michael Ehrenreich; BERLINGSKE TIDENDE, 12 Dec 82).....	53

FINLAND

Details, Editorial Opinion of Government's Fall (HELSINGIN SANOMAT, 29, 31 Dec 82).....	56
Sorsa Doubted SKDL Ministers Backed by Party Lively Foreign Policy Debate Preceded Collapse Stalinist, SKDL Tactics Viewed Communists Seen Losing Support, Editorial Comments on Haste To Form Cabinet, Editorial	
SKDL Decides on Election Candidates for March Vote (KANSAN UUTISET, 9 Dec 82).....	65
Central Committee Acts To Discipline Stalinists (HELSINGIN SANOMAT, 13 Dec 82).....	66
Poll Finds Only Four Percent Against Nordic Nuclear-Free Zone (UUSI SUOMI, 9 Dec 82).....	67
Poll: Conservatives and Center May Win Parliament Majority (UUSI SUOMI, 5 Dec 82).....	70
Small Parties May Play Decisive Role in Election (Olavi Jouslehto; UUSI SUOMI, 5 Dec 82).....	73

FRANCE

Minister Discusses Relations With Quebec, Canada (Andre Labarrere Interview; LE MATIN, 10 Nov 82).....	77
---	----

ITALY

Craxi Interviewed on PSI-DC Relations (Bettino Craxi Interview; L'ESPRESSO, 12 Dec 82).....	79
--	----

PSI Policy Analyzed by Colletti, Pintor (L'ESPRESSO, 12 Dec 82).....	84
---	----

NORWAY

New Socialist-Left Party Chairman Urges Unilateral Disarmament (Thorleif Andreassen; AFTENPOSTEN, 6 Jan 83).....	86
---	----

SPAIN

Paris Foreign Ministers Meeting Ends, No Real Results (Feliciano Fidalgo; EL PAIS, 12 Jan 83).....	88
Changes in Interior Ministry Personnel, Policies (Santiago Acroca; TIEMPO, 27 Dec 82).....	92

SWEDEN

Paper Comments on Palme's Dependence on Communists in Vote (Editorial, Svante Nycander; DAGENS NYHETER, 17 Dec 82)..	95
Paper Comments on Bodstrom Foreign Policy Speech (Editorial, Olof Svantesson; DAGENS NYHETER, 17 Dec 82)..	97
Left-Party Communist Executive Committee Elects New Members (NY DAG, 16 Nov 82).....	99
New Members Listed Statement on Economic Program	
Commentator Sees Possible Trend in Poll Loss for SDP (Gunnar Andren; SVENSKA DAGBLADET, 28 Nov 82).....	102
Poll Indicates Approval for Cooperation Among Opposition (Editorial; SVENSKA DAGBLADET, 28 Nov 82).....	105

MILITARY

FRANCE

Defense Outlays for Equipment, Personnel in 1980, 1982 (SERVICE D'INFORMATION ET DE RELATIONS PUBLIQUES DES ARMEES, 1982).....	107
Command Structure, Missions, Locations of 7th Armored Division (J. P. Coppin; TAM, 12 Nov 82).....	114

Luxeuil Air Base Serves Arbois, 4th Fighter Squadron (Christian Domergue; TAM, 12 Nov 82).....	116
Units, Ships Detailed to Indian Ocean Listed (J. V. Buche; TAM, 17 Dec 82).....	118
Two Army Units, Three Ships Stationed in Martinique (Ch. Domergue, J.-P. Maillet; TAM, 17 Dec 82).....	120
Maintenance of 'Clemenceau' Catapults Described (TAM, 25 Nov 82).....	121

NORWAY

Poll Registers Slight Drop in Support for Defense, NATO (AFTENPOSTEN, 11 Dec 82).....	123
Electronic Fire Control Devices Being Supplied to Artillery (Knut Falchenberg; AFTENPOSTEN, 10 Dec 82).....	125

SPAIN

Conference Views Role, Problems of Navy (Rafael Jorba; EL PAIS, 7 Dec 82).....	127
First Women Officers in Armed Forces Receive Commissions (Bengt Falkkloo; DAGENS NYHETER, 18 Dec 82).....	130

GENERAL

ITALY

Alleged Involvement of Firm Broggi Izar in Arms Traffic (Giangranco Modolo, Leo Sisti; L'ESPRESSO, 19 Dec 82).....	132
--	-----

LABOR PARTY DEPUTY CHIEF WORRIED OVER NATO ISSUE

Oslo AFTENPOSTEN in Norwegian 8 Jan 83 p 2

[Article by Storting representative Einar Forde, deputy chairman of the Labor Party]

[Text] Optimism is not in short supply in the Labor Party today. We have seen relatively comfortable opinion poll results and in recent months we have had the largest membership increase in many years. We will try to maintain that optimism. But as we run into it among the party's friends and voters in various parts of the country, it has become a separate task to combine this optimism with realism.

A great many people take it for granted that the Labor Party will make a comeback in 1985. Many seem to think that the Willoch government and the Conservatives will do most of the work for us. But that is a dangerous and inadequate basis for party work. We will undoubtedly get good help from the Willoch government. Once in a while I am amazed at what good help we are getting from them. But we will certainly see strong tendencies to underestimate our opponents. The labor movement must never forget that this government combines political and private economic power in a way that makes it an extremely tough opponent. We will have to mobilize all our forces in the political and union sectors of the labor movement in order to handle the job in 1985. And we must do most of the work ourselves.

The party congress in April and the municipal elections in the fall represent important mileposts on the road toward the big test of strength in 1985. But at the same time these are more than just stations along the way. The year 1983 can be one of vital importance both at home and abroad. The Labor Party is in the opposition, but even so it cannot give up its ambitions to decisively influence the vital decisions that must be made this year. I would like to remind you that 1983 will be the year in which a decision might be made on making a definite break with the insane arms race spiral that is currently oppressing people around the world. There will also be a battle in 1983 over full employment in Norway.

The factor that provides the greatest reason for optimism for those of us in the party leadership is hidden from most outsiders looking at the Labor

Party. It has been said that the Labor Party is at its best when it prepares programs. The Labor Party has never before had so much activity in its program and report work. In the course of this work, we are constantly recruiting new workers for the party. This is the most important basis for our ability to make good use of the opposition period, so that we can join the fray in 1985 with new programs, new ideas and many new people.

There is no reason to hide the fact that the most difficult problem now confronting the Labor Party is to avoid a sharp debilitating split. As everyone can observe, the missile issue represents the most difficult challenge in this context. Splitting over foreign and security policy issues has traditionally been the Labor Party's most difficult problem. Bringing the party through the debate on the missile issue in one piece has become a vital prerequisite for our ability to meet the challenges that also confront us in the domestic policy sector.

Those who are now working to find a unified Labor standpoint on the missile issue have a lot of hard work ahead of them. But we have come a good distance along the way in this work when we can establish that everyone wants to achieve this kind of unification. Unification on this issue is necessary for what we want to do as a party and as a movement internationally, nationally and in the local communities in the years ahead. And most people seem to realize that it would be very damaging to the work for peace in general if the Labor Party becomes ripped apart by internal conflict now. Unification is also a prerequisite for being able to influence what is happening now on the European arena in the area of arms reduction.

The basis for unification on the missile issue that is now taking form is sometimes presented as a compromise between opponents and supporters of the 1979 dual resolution. But it is not. Those who supported the dual resolution and we who opposed it will continue to be deeply divided as to whether that resolution has had a good or a bad effect on the negotiations between the superpowers and on arms reduction activities in general. But as time passes, it becomes increasingly difficult to maintain that the dual resolution alone can form the basis for the western position in the European arms reduction talks. After the developments of recent weeks, there is now an acute need for the United States, NATO and the western nations to formulate a new basis for their position in the negotiations. The goal of the Labor Party must be to influence the positions taken. In our treatment of the missile issue, we cannot be content to pass resolutions for domestic consumption. That is why we are now placing such great emphasis on cooperating with the other Social Democratic parties in NATO countries. The objective of this work is crystal clear. We want to prevent new missile deployments and utilize this historic chance to obtain reductions in both existing medium-range missiles and other nuclear arms.

The other big issue at the Labor Party congress will be employment. Since preparing the alternative budget proposal in the fall, the Labor Party has been working constantly to prepare for the battle for full employment in Norway in 1983. The congress will be presented with proposals for new and

energetic measures for holding the line. Some people have said that we should prepare a crisis program for 1983. I do not agree with that. Crisis is not the precise word for conditions in Norway in 1983 and for the state of the Norwegian economy. On the contrary, Norway has freedom of choice and economic security, making it possible to prevent the setback that would result from new mass unemployment. No single factor is more important for securing the welfare state than full employment. With that in mind, employment should not become a controversial issue, but perhaps a theme that will increasingly lead to cooperation among the parties in 1983.

6578

CSO: 3639/49

PAPER LAUDS BONDEVIK STAND ON NATO MISSILES

Oslo AFTENPOSTEN in Norwegian 4 Jan 83 p 2

[Editorial: "On Taking Responsibility"]

[Text] Those of us who have supported the dual resolution since 1979 have not been very good at stressing that it is a strategy to reduce weapons stockpiles, Christian People's Party parliamentary leader Kjell Magne Bondevik said in an interview. After all, everyone is working toward this goal--and thus everyone could support the slogan of "No Nuclear Arms," he said.

On that point, Mr Bondevik is undoubtedly correct. And the small amount of soul-searching admitted to here is probably also addressed to those within his own party. We are not referring primarily to the Storting group minority that has reservations on the missile issue, but to certain tendencies toward fence-sitting and ambiguity in general.

As far as it goes, it is laudable that Mr Bondevik has now used his New Year's interview with NTB to stress the necessity of maintaining support for NATO's dual resolution. Thus he is warning the upcoming party congress against passing anything that could undermine that line. It is certainly a timely warning. It does not require much imagination to think of the kind of pressure the delegates could be exposed to.

A security policy debate is a good thing. But at the same time it is more important than ever for politicians to display firmness and vigor--and to heed their obligation to disseminate information--at a time when new peace movements are trying to monopolize both strategies and the very concept of peace. Involvement is extensive and feelings are strong. But some people must also explain that arms reduction talks with the Soviet Union without the necessary safeguards are an extremely dangerous course of action.

The political leadership must take responsibility and to some extent the missile issue is just one example. The interview also touched on other challenges and opportunities facing the Christian People's Party in the coming year. And Mr Bondevik brought out a number of issues where the party has a good chance of stressing its viewpoints. Amniocentesis, the

abortion report, the nursery school law. But what about responsibility, quite aside from being a support party with a strong need to profile party differences?

Political opponents have suggested that the government should be expanded in order to steer its way through the security policy solutions--for reasons serving these same opponents, of course. Even so, there is something to be said for their suggestions. It is true that the Conservative government is functioning well. But in the long run a minority government is not adequate when one must shore up the economy and perform other urgent tasks.

It is definitely not just in the area of security policy that the "Danish situation" stands out as a fearful warning. In order to exert the necessary degree of political control--over the entire spectrum of the issue--in these difficult times, it would indisputably be an advantage to follow the clear advice of the majority of the voters--a broad nonsocialist government. Many people would have prized a clear statement on that question too in the New Year's interview with the challenger for the chairmanship of the Christian People's Party.

6578

CSO: 3639/49

GRASS ROOTS MOVEMENT STEPS UP CAMPAIGN AGAINST NATO MISSILES

Oslo AFTENPOSTEN in Norwegian 6 Jan 83 p 5

[Article by Liv Hegna]

[Text] Opposition to NATO's dual resolution must be included in resolutions passed by various party congresses in the spring. That is the objective for the offensive being waged by No to Nuclear Arms. Half a million copies of an appeal will be circulated in schools, job sites and organizations. Storting must be told what the people want, according to leaders of the organization and they ask that resolutions be worded on the basis of the appeal. In addition, actions against the dual resolution will be coordinated in the United States and Europe, it was revealed at a press conference yesterday.

The actual situation is that there is a NATO resolution approving the deployment if talks in Geneva fail to lead anywhere. Opposing the dual resolution at this time could result in bilateral agreements between the United States and the countries in Europe that want their nuclear weapons modernized. But that is no problem for No to Nuclear Arms. One of the leaders of the action, Erik Alfson, described the idea as tactical and maintained that it shows a nicer attitude on the part of small countries if they oppose modernization.

The appeal No to Nuclear Arms is sending out at this time says: "We cannot wait for the talks on the nuclear arms race to lead to arms reduction. When NATO prepares for deployment to show that the threat is a serious one, we must expect the Soviet Union to carry out counter measures." No to Nuclear Arms does not deny that the NATO modernization plans came about as a response to the Russian SS-20 missiles, among other things, but Gynt Kragh insisted that NATO had its historic chance in 1979 to stop the arms reduction, since the Soviet Union had said it would halt deployment of its missiles if NATO would refrain from approving the modernization of its missiles.

Gynt Kragh went on to say that if Storting did not heed what she called the will of the people on this issue, No to Nuclear Arms might respond by demanding a popular referendum. Asked what such a referendum would aim

at, both she and Erik Alfson replied that it would concern the extent to which deployment or use of nuclear weapons would be permitted on Norwegian soil in war or peace.

Who then is the target group of the No to Nuclear Arms action? Per Alfson [as published] answered: "Our Norwegian politicians. We respect the democratic playing rules and will work to get our authorities to realize what we do, namely that it is desirable to reduce nuclear arms, no matter what." Asked why Norwegian politicians should be subjected to this when it is accepted Norwegian policy to refrain from using nuclear weapons in peacetime, Alfson answered: "NATO will be the target group, reached through the Norwegian authorities. It will not lead to any imbalance to start the arms reduction spiral, although we do not want to get into the negotiation agenda itself and speak out on the extent to which French and British nuclear weapons should be included in the talks," he said.

6578

CSO: 3639/49

LABOR PARTY YOUTH WING WANTS BROAD ANTI-MISSILE AGREEMENT

Oslo AFTENPOSTEN in Norwegian 7 Jan 83 p 5

[Article by Morten Mølmo]

[Text] AUF [Labor Youth] maintains its opposition to NATO's dual resolution. Even so, AUF leader Egil Knudsen thinks the Labor Party congress later this year should not just concentrate on this issue, but find a broader platform for arms reduction. At a press conference yesterday, Knudsen said that a negotiation plan between East and West must be mapped out in which both strategic weapons and medium-range weapons are viewed in context.

In addition to this last point, AUF stressed three other elements it thinks the Labor Party congress should support, namely that plans for the production and deployment of new nuclear weapons be suspended while negotiations continue, that new western medium-range missiles not be deployed and that Soviet deployment of SS-20 missiles be halted while other weapons are withdrawn. Knudsen expects the proposal to simply reject NATO's dual resolution to come up at the Labor congress, but he thought supporters of this proposal would also accept the inclusion of other elements, as AUF did in its outline. But the central leadership of AUF is not backing any proposal to be presented at the congress of the mother party. Not on this issue and not on others. However, local groups will promote various proposals.

The AUF chairman said he was glad the Labor Party group in Storting opposed earmarking funds to prepare for the deployment of new NATO missiles, but Knudsen was not as happy about the treatment of the so-called "freeze proposal." Knudsen said that "The Labor Party should at least have backed the proposal that Norway refrain from voting in the United Nations."

It is in connection with the AUF national congress from 10 to 13 March in Oslo that the organization is now presenting its international program in addition to a program on educational policy and another program on economic distribution policy. Since its last congress, AUF has acquired 94 new local organizations, secretary Solveig Torsvik revealed at the press conference. Like chairman Egil Knudsen, she is running for re-election, but AUF vice chairman Norvald Mo is not seeking re-election.

AUF also supports the implementation of the principles of a new world economic order on the part of the Nordic lands and the Netherlands, along with Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. "Such an arrangement could be the opening wedge for implementing this new world order on an international level," said Egil Knudsen. AUF also feels that Norway's main cooperating countries in the context of aid to developing nations should be limited to Tanzania, Mozambique, Zimbabwe, Angola, Nicaragua and Cuba. Aid to developing countries should be increased to 2 percent of gross national product by 1985 and to 2.5 percent by 1990.

AUF also feels that the right to deduct interest payments on debts that do not exceed the rate of inflation should be phased out over a 10-year period. Savings through tax deductions should be changed and limited and we must have a sales tax again, instead of the present "value-added tax," said vice chairman Norvald Mo at the press conference, where AUF also called for a better income equalization policy.

"Paying off student loans should be adjusted to income," read one AUF demand. The group felt this could be set up so that borrowers pay a certain percentage of their gross income each year until the loan is paid off. AUF will continue to work for a true unified school system, so that the differences between various branches of study and specializations can be broken down.

6578

CSO: 3639/49

BRIEFS

TEACHERS' ORGANIZATION AGAINST MISSILES--Even before its founding meeting in November, the organization, "Teachers for Peace," had the support of 1,300 teachers in nursery schools, elementary schools and secondary schools. In December, support increased and by the end of the year, the organization had more than 2,000 members. Principal Victor Hellern, one of those behind the founding of Teachers for Peace, told AFTENPOSTEN that the sign-ups usually come in by the dozen from various teaching staffs. Similar organizations based on the Norwegian model have sprung up in both Sweden and Denmark. [By Liv Hegna] [Excerpt] [Oslo AFTENPOSTEN in Norwegian 6 Jan 83 p 5] 6578

CSO: 3639/49

SERIES EXAMINES INTERNATIONAL TIES OF ETA

Madrid YA in Spanish 23, 24 Dec 82

[23 Dec 82, p 13]

[Article by Jesus Duva: "KGB Agents Remote-Controlling the ETA Terrorist Organization"]

[Text] The attack on the pope perpetrated by the Turk Ali Agca and the presumed Bulgarian involvement in this event have renewed the polemic discussion about the international connections of the various terrorist groups functioning in the world. Apart from the PLO, which routinely targets Jewish goals, although its various factions also wage war among themselves, the terrorist scourge has Europe as its main battlefield. The ETA [Basque Fatherland and Liberty Group] in Spain, the Red Brigades in Italy, the IRA in Ulster, if not in London itself, and the Red Army in Germany attack individuals and institutions, with the obvious goal of destroying the stability of Western democratic regimes. And although there is no conclusive proof, there is indeed more than justified suspicion that the majority of the terrorist groups are sponsored by the USSR, and that they have their training bases and the necessary weapons in various Eastern countries. With a view to deciphering the international links in terrorism, insofar as possible, YA is today beginning a series of various articles on this interesting and unsettled subject, beginning with the Basque terrorist organization, the ETA.

"Experts in antiterrorism maintain that there is a terrorist international made up of the Tupamaros, Montoneros, Palestinians, IRA, ETA, GRAPO [First of October Armed Revolutionary Group], Red Brigades and other lesser groups, with a very strong Marxist-Leninist doctrinal component in its ideology. The terrorist practices of these organizations have the support of such countries as South Yemen, Algeria, Libya and Cuba, who in the opinion of the most competent observers, merely serve as a "screen" for directives from the USSR.

The Spanish police, and presumably the secret services of the Western countries, do not have reliable data on Russian KGB instigation of or complicity in the subversive activities of these international organizations. "But it is unimaginable that South Yemen or Cuba could have been used as training grounds for various armed groups--and there is indeed proof of this--unless their Kremlin masters had previously urged it," according to the view recently expressed by Colonel Casinello, one of the officials of the Unified Command for Antiterrorist Struggle.

What is the situation with regard to the ETA? Is it possible that the Basque terrorist organization is also remote-controlled by the agents of the KGB? This same Colonel Casinello definitely believes this is so, and he argues that, despite the fact that the weapons commonly used by the personnel of the ETA "are of Western origin (Belgian, American, British), and its arsenal does not include the classic Kalashnikovs used by all the guerrilla movements, the careful avoidance of them is yet another proof of Russian collaboration," in the words of a statement by the high command of the Civil Guard made during a seminar on terrorism held some months ago in Madrid.

The Spanish police maintain that the deployment of the ETA on an international level began in the year 1964, when a group of its activists attended training courses held in various foreign countries. The revolutionary Basque organization was not long in becoming the focus of the attention of the USSR and Cuba, Algeria and China. In that era, the Euskadi Ta Askatasuna was a group of individuals with radical ideas who, as the group became more powerful and effective, began to win the confidence of the Marxist regimes. Without a doubt, it was when its "prestige" was established by the attack which cost Adm Carrero Blanco, the prime minister, his life, that the ETA won definite international support. As of that time, the members of the ETA could address their protectors as equals, according to the views voiced to YA by experts in anti-terrorist struggle.

First ETA Contact with Algeria

In 1964, ETA leader Madariaga made contact with the Algerian secret services, and subsequently, the first training of ETA activists in Cuban camps began. After that time, the ETA pursued a constant campaign of exchange with radical Andalusian groups and with the Chinese government. Also, ETA representatives attended the Tricontinental Conference in Havana, where they signed the joint document which asserted, among other things, that "other Vietnams should be developed throughout the world in order to scatter the efforts of the United States and force it to retreat."

In 1972, the ETA strengthened its relations with the IRA in Ireland, and various ETA members traveled to Uruguay, where they learned the techniques of kidnapping and manufacturing the so-called "people's prisons" in which victims are kept confined until negotiations produce the results desired by the terrorist organization. A year later, according to documentation currently in the hands of the Spanish police, a meeting took place among activists of the IRA, Palestinians, the Quebec Liberation Front and the ETA, with a view to the possible purchase of weapons from "friendly" Eastern countries. It appears to have been at about the same time that the Basque leader "Argala" met in London with various representatives of the Italian Red Brigades, while the Libyan government contributed \$70,000 in aid to the ETA cause, although there is no proof of this.

During the Congress of Ethnic Minorities held in Algiers in 1974, "Argala" made contact with the Japanese Red Army, and the police learned of new courses in which Basque terrorists were being trained in Cuba and Czechoslovakia.

In 1975, the ETA engaged in exchanges with representatives of the German Baader-Meinhof organization, and seemingly, these relations were maintained until a relatively short time ago. However, some Basque activists arrested a few months ago told the police that "the Germans have little to teach us," especially when it comes to electronic techniques, an aspect in which the ETA members were much interested.

The most recent information available in Spain about the relations of the ETA on the international level indicate that the possibility that this organization has received, at various stages in its bloody history, economic support from China, Libya, or the USSR, cannot be dismissed, although obviously this is something which it is very difficult to prove, and such claims are generally based on the statements made by some of those arrested. Nonetheless, the Western secret services maintain that Russia today is the main source of support for the guerrilla groups, while Chinese aid is much more limited.

Experts in terrorism agree in stating that the contacts between the various radical groups and the USSR are never made through official agents of the KGB, but through the secret services of the countries within the Soviet orbit, acting as representatives. Naturally, it is very difficult to prove these assertions, but something of this sort may have occurred in connection with the attack on the pope, in which the Bulgarians might have been mere tools of communication manipulated by the USSR.

The IRS--Best Friend of the ETA

According to various sources consulted by YA, the IRA is currently one of the main allies of the ETA, and in fact, contact between the two terrorist groups seems to be very frequent and "cordial." Various police theories suggest that the ETA turned over a part of the rubber stolen by ETA commando groups from the Desoto Naval Arsenal in Santander to the IRA, receiving a certain quantity of weapons in exchange. Spanish experts in antiterrorism maintain that the ETA has been more than successful in its "requisitioning" of dynamite, while it has great difficulty in obtaining supplies of weapons.

On the other hand, it must not be forgotten that the ETA "sanctuary" is located in a foreign country. It is in France that the ETA has its basic training bases and prepares for its campaigns. It is there that those "liberated" seek refuge, where the "revolutionary tax" is taken and ZUTABE, ZUTIK, KEMEN and other pamphlets and releases are edited and published.

From a study of the history of the ETA, one can conclude that this organization seems always to have been more concerned with winning international support than in cooperation with Spanish terrorist groups. It is indeed true that the Basques have had more one contact with small French and Basque separatist groups, and even the GRAPO. However, these relations have never been consolidated, nor have they represented anything enduring, due to the fact that the ETA has had little regard for these organizations because of their lack of training, and it has limited itself solely to making sporadic use of them to achieve its goals.

[Article by Antonio Pelayo: "France Agrees Tacitly to Pact with ETA Forces"]

[Text] Paris--The special French aspect where terrorism is concerned is the import of it. It is not that this country does not produce its own, but it is true that in terms of extent, continuity and its aggressive nature, imported terrorism exceeds what we might regard as the "domestic production." The link between the two systems, which exists and functions with a certain efficiency, will remain, then, for subsequent analysis.

On the domestic level, the origins of French terrorism are problems of autonomy or nationalism. This was the birthplace of the so-called "blue Corsican nights" and the increasingly infrequent explosions in Britain, as well as a series of isolated attacks on nuclear installations. Since the socialists came to power, with the resultant elimination of the State Security Court and the approval of other political measures pertaining to the Corsican claims, in particular, this aspect has seen a spectacular decline, and can today be regarded as definitely dwindling. However, it remains a fact that the French state has sought to acquire super-specialized resources for waging the struggle against terrorism, and the installation of the famous electronic card file is under way.

But France, and Paris in very special fashion, is one of the favorite locales of the world terrorist movements, and with special insistence, of that scourge the origin of which is the Middle East conflict. The list of violent incidents in recent years is impressive not only in terms of the resultant slaughter, but also because of the variety of its ramifications. Israelis, Palestinians, Tur' Armenians, Iranians, Arabs--particularly North African Arabs--Irishmen, etc., have chosen this country to settle their accounts. Ambassadors, special agents, scientists, policemen, businessmen, and pseudostudents are represented on the list of their victims. And also, very frequently, French citizens who had nothing to do with the problems involved, have served as cannon fodder in these terrorist actions.

Resurgence

Since the socialists came to power, there has been a considerable resurgence of terrorism linked, more or less directly, with the unresolved problems of the Middle East. This has to do without a doubt with the new attitude adopted toward this matter by President Mitterrand. More particularly, anti-Semitic and anti-Jewish activities have multiplied. Horrors such as the attacks perpetrated on the Copernicus Street synagogue and the Goldemberg Jewish restaurant, obviously of racist intent, are within the memory of all.

But another series of horrible events, taking a tremendous toll, had its origin in the settlement of accounts between the secret services of the Arab countries, be they Syrian, Iraqi or Iranian. Open conflict has developed in recent times among the Arab regimes, for example the war between Iran and Iraq and the anti-Khomeyni movements. Paris is the obvious capital today for all of the Iranian political forces opposed to the regime of the old imam, as well as

for other resistance movements against other Middle Eastern regimes. Curiously, few activities in this realm can be ascribed to exiles from the Eastern countries or the Latin American dictatorships.

There remains, finally, the broad subject of the interaction between the terrorist movements and the logistic support the organizers of violent actions of foreign origin find in France. This country has had no movement comparable to the Italian Red Brigades or the German Baader-Meinhof gang. In this country, there has since May of 1968 been a general shrinkage in the armed terrorist groups. But they are to be found in both the left and right-wing areas. There is no very important activity in the right-wing sector, despite the continuing incidents and denunciations inflated by some communications media. On the contrary, however, a series of small leftist groups have given evidence in the past 5 years of a solid structure and clearly defined function. This is the case, for example, with Direct Action and the Anti-Imperialist Proletarian Groups.

Weapons Arsenals

The police have found, in connection with incidents not too long ago, substantial arsenals of weapons, as well as strategic plans of a certain notoriety both in terms of the nature of the goals sought and the sophistication of the resources used. Now then, all of the investigations of the antiterrorist brigade agree in suggesting a link between what we might call domestic and foreign circles. In other words, the most spectacular attacks on targets outside France, Arab or Israeli, for example, have always been arranged or supported by groups with purely domestic orientation and roots, having little or nothing to do with the ideology being defended, but sharing a rejection of the prevailing state and political structure.

The counterespionage services and the new secretariat of state for antiterrorist struggle are focusing their work this week precisely on clarifying the relationships and connections linking these two extremes in the terrorist network.

There remains as a corollary the Basque problem, which has such direct links with Spanish history. In brief, France has tacitly agreed to a pact, never formally stated but real, with the ETA forces, involving a rejection of any activity on French territory, in exchange for tolerance which has very diverse, but real, forms. The Basque connection is, however, also an example of the links among terrorist groups. These links are no less certain because they cannot be proven by concrete data. And this is perhaps one of the few aspects of the matter which concern the French government: the possible influence within its territory of this Basque extremist movement.

But also in this connection, although we cannot prove it, the ETA has offered the French experts some guarantees. The limitations of this report prevent us from going into this information further.

ETA'S CAPACITY FOR NAVAL, NUCLEAR ACTIONS

Madrid DIARIO 16 in Spanish 27 Dec 82 p 7

[Article by Fernando Reinlein]

[Text] The ETA's [Basque Homeland and Liberty Group] capabilities, the discovery of arms caches in French territory, near the site where nuclear power plants are to be built, and the ETA's potential for attacking naval vessels up to 100 km offshore has aroused a great deal of concern in NATO intelligence services and, of course, in the French and Spanish secret services. According to experts, the offer by U.S. Secretary of State George Schultz to help the Spanish Government in its fight against terrorism may be motivated by U.S. interests themselves in this regard.

Madrid--According to what DIARIO 16 has learned from informed sources, the ETA's offensive capabilities and its recent armed operations have seriously concerned French secret services and even NATO intelligence.

According to the aforementioned sources, such capabilities give the ETA the potential for jeopardizing Western security in what appears to be a new dimension of the terrorist phenomenon affecting Spain: naval and nuclear terrorism.

The first report made in the Spanish press by DIARIO 16's correspondent in Paris, Juan Pedro Quinonero, in the editorial pages of this newspaper, recalled the dramatic act of naval terrorism carried out by the ETA: the almost successful attempt to blow up the Spanish destroyer "Marques de la Ensenada," anchored in the port of Santander near the Headquarters of the Commander of the Cantabrian Mountains Maritime Zone.

Santander-Brest

At that time, Quinonero deplored the lack of any basic impact recommending an analysis of the strategic importance of the attack. But if the impact on the press was not profound, it did mobilize French and Spanish intelligence services and even those of NATO, according to reports by informed sources to this newspaper.

In fact, French secret services duly noted that Santander, along with the French port of Brest, is one of the points lying on the Atlantic's "arc of crisis," which is patrolled by French submarines and Spanish vessels to protect the petroleum shipping routes running through the English Channel.

The United States

Added to this ETA operation was the discovery of arms caches not far from where the French Government plans to build five nuclear power plants in Basque territory. If the use of Soviet-made RPG-7 grenade launchers by ETA terrorists is added to all of this, a highly significant picture emerges, which has led to a rapid increase in the attention of international intelligence services to the ETA phenomenon and which could change the attitude of neighboring governments to help Spain combat Basque terrorism.

Although the Soviet Union quickly denied the reports about aid which Moscow may be giving the ETA terrorists, the Basque phenomenon may have figured in the talks between George Shultz and Felipe Gonzalez, held recently in Madrid. But it would have been discussed precisely because of the new dimension of naval and antinuclear terrorism, which has concerned NATO intelligence services.

One of the offers made by Shultz in the bilateral negotiations with Spain may have been--which is logical--greater U.S. support for Spain's antiterrorist campaign for this very reason. However, Shultz would have made this offer in return for other advantages. Informed circles do not rule out the possibility that the interest of the U.S. secretary of state may derive from the danger to the United States' own interests, which its experts have seen in the ETA, and on which Shultz would have tried to capitalize as aid to the Spanish Government.

Agents

Spain's entry into NATO and the nationalistic policy of the new PSOE [Spanish Socialist Worker Party] government, which has blocked incorporation into the alliance's military command, has turned our country--as DIARIO 16 has already pointed out--into a chessboard for the "big game," whose moves are planned by the brains in Washington and Moscow.

It is not frivolous to note that, for several weeks now, the number of "legal" and "illegal" agents of the CIA and KGB [Committee for State Security] has risen dramatically.

And from all indications, the new dimension of ETA terrorism and its repercussions beyond our borders is one of the reasons for this unusual activity of foreign secret agents.

11915

CSO: 3548/62

BRIEFS

FORTY PERCENT OF POWER IS NUCLEAR--The proportion of nuclear power in Finland's total production of electricity was nearly 40 percent in April-June 1982. In the second quarter of the year 3,634 gigawatt hours of electricity were produced with nuclear power, states a report of the Radiation Safety Institute, which is published quarterly. All the nuclear power plant units were permitted to operate at their rated output. Lovisa 1 and the number one and two units at Olkiluoto were under continuous operation during this period. Lovisa 2 was transferred to continuous production at the end of May when the Radiation Safety Institute considered the experimental phase to be completed. [Text] [Helsinki KANSAN UUTiset in Finnish 9 Dec 82 p 5] 10576

CSO: 3617/43

DEVALUATION HAS MADE NUCLEAR POWER HALF AS COSTLY AS OIL

Stockholm SVENSKA DAGBLADET in Swedish 3 Dec 82 p 9

[Article by Bo Ostlund]

[Text] The Swedish devaluation made Swedish nuclear power more competitive overnight: if Sweden were forced to produce electric current today in oil condensing plants--which we may still be forced to do in periods of peak demand, the current would be twice as expensive as that produced by nuclear power.

So says Karl-Erik Sandstedt, head of the Forsmark power plant, which currently supplies 11 percent of all the electricity consumed in Sweden. When the third Forsmark reactor (F3) begins commercial operation in the spring of 1985, just over 16 percent of Sweden's electricity will come from Forsmark.

Lindberg says: "At today's prices, F3 will be able to deliver electric current costing 24 ore per kilowatt-hour. Under the exact same conditions, and with the new oil prices that we are paying because of the devaluation, electricity from oil condensing plants costs 40 ore, and electricity from coal condensing plants (which Sweden does not have) would cost 33 ore."

Karl-Erik Sandstedt adds: "Cheapest of all is hydroelectric power, of course."

Of the 24 ore that a kilowatt-hour of electricity from F3 will cost, 16 ore represent capital costs, 3 ore represent fuel, and 3 ore represent operating costs. Added to that, but still within the 24 ore, is a special tax of 2 ore per kWh for the scrapping of reactors and waste disposal.

F3 will be a big, 1,050-megawatt power plant. The work is now proceeding completely on schedule following the 2-year political halt, and on Thursday, the gigantic hoisting work involved in placing the reactor vessel, weighing a total of 730 tons, in its containment was at the halfway point.

Sweden will not build any larger reactors. F1 and F2 have 900 megawatts.

Is nuclear power profitable?

Lindberg says: "In comparison with what Sweden has to offer today, and considering what has been politically possible to date, the answer is yes. Merely by

using F3 instead of operating the oil condensing plant in Karlshamn, for example, Sweden will save 600 million kronor per year.

"Back-pressure plants for the big cities--that is, producing district heating and electric current at the same time--would be a good deal. But of course, we don't have such plants."

No Surplus

Sweden currently consumes 400 terawatt-hours of energy, including 100 TWh of electricity (a terawatt-hour equals billions of kilowatt-hours).

Do we have a surplus?

Sandstedt says: "No, even last summer there was no surplus. Despite the recession, every kilowatt-hour we produced was sold."

11798

CSO: 3650/71

MEETING COSTLY ENERGY NEEDS EXAMINED

Istanbul DUNYA in Turkish 28 Dec 82 p 2 (Supplement)

[Article by Minister of Energy and Natural Resources Fahir Ilkel]

[Text] The fact that energy has become a commodity that is harder and more expensive to obtain every passing year has placed the issue of energy planning on the top of the economic agenda of our country as well as other countries. The plan to be drawn up must fill energy needs with supplies procured most economically from the most suitable sources. Our ministry has been assigned the important mission of determining the country's energy needs, in terms of quantity, type and regional distribution, and estimating correctly future rises in energy demand. Based on our determination of our energy needs, our plan is primarily aimed at meeting our needs with domestic resources. The portion of our energy demand that cannot be met by domestic resources has to be filled by imports from overseas which are based on political and economic considerations. Within the limits of its budget, our ministry is conducting needed work through the MTA [Mining Research Institute], TPAO [Turkish Petroleum Corporation], DSI [State Hydraulic Affairs Directorate] and EIEI [Electric Affairs Study Administration] to develop domestic energy resources. The work to utilize domestic energy resources is being conducted through the DSI, TEK [Turkish Electric Power Enterprise], TKI [Turkish Coal Works Directorate General] and TPAO, and these energy sources are being offered for use to those who need them. The work done by our ministry on energy planning is being used in the preparation of the Fifth Five-year Plan [FYP]. In 1983, our ministry will expand its work on the issue of energy planning which is gaining increasing importance every year and which requires further technical and economic studies.

Turkey has one of the richest potentials in the world for the production of hydroelectric power. Our rivers are known to have the potential of producing 100 billion kilowatt-hours electrical energy a year. Changing economic criteria and advanced research and technology may raise this figure even higher.

Turkey's known coalbeds largely contain low-grade lignites which can generally be used in power plants. Our estimates show that our lignites have a potential of producing 60 billion kilowatt-hours of electrical energy a year. Turkey's electric power needs, on the other hand, are expected to reach 170 to 210 billion kilowatt-hours by 2000 depending on the growth rate of the country's economy. Studies by the MTA show that if new large lignite beds are not found our current reserves will not be able to meet our electrical energy needs in the 2000's.

The current per capita world average for electrical energy consumption is 1,884 kilowatt-hours per year. The average figure for developed countries 6,724 kilowatt-hours per capita per year. In 1982, Turkey's annual per capita electrical energy consumption was 626 kilowatt-hours. Turkey must make large investments in order to reach the world average. Thus, the issue of building nuclear power plants emerges as a serious option to meet the electrical energy needs of our country. With the phasing in of the eighth unit at Keban in 1982, the Keban [hydroelectric] power plant is now complete and fully operational. In 1982, the Suat Ugurlu hydroelectric power plant also came on line, and units 1 and 2 of section B of the Soma plant began experimental production. The first unit of the Yatagan plant has also come on line. This year was a particularly fortunate year; electric power cuts in Turkey were reduced to a minimum though power rationing continued. Residential areas in cities probably did not feel the effects of rationing, but industrial plants could not escape the obligation of obeying rationing rules even though rationing was only limited.

The latest finds by the MTA have raised our country's lignite reserves to 8.2 billion metric tons. However, most of these reserves are in the form of low-grade bitumens. Consequently, difficulties are being encountered in supplying TES [expansion unknown] and the industry with coal. Our coal production in Zonguldak is around 4 million metric tons a year. But that production cannot meet the hard coal needs of our steel industry and other industries that use high-grade coal. In other words, Turkey has to import coal in addition to petroleum. On the other hand, the country can meet its lignite needs completely with domestic resources. Measures are being taken to fill the lignite needs of newly-built power plants, and lignite production is being adjusted to match demand. Lignite production is adjusted to parallel demand because lignite is not a material that can be stored.

As for petroleum, as of the end of September 1982, 114 exploration licenses had been issued to 8 firms. Of these, 70 licenses were issued to the TPAO and the rest were issued to domestic and foreign firms. In the said period, the TPAO was issued 10 operating licenses. As of the end of September 1982, the TPAO had drilled 28 exploratory wells, and this figure is expected to reach 34 by the end of the year. I am giving separate figures for exploratory drills, well development and production drills. Firms other than the TPAO had unfortunately drilled only one exploratory well as of the end of September 1982; this figure will hopefully reach four by the end of the year. As of the end of September 1982, the TPAO had drilled 26 other types of wells, and this figure is expected to reach 39 by the end of the year. The other firms are expected to drill 8 wells by the end of the year.

Based on these figures, the TPAO will have drilled 100,000 meters of exploratory wells and 56,000 meters of production wells by the end of 1982. These exploration and production activities are badly inadequate. Today, Turkey can meet only 16 percent of its petroleum needs from indigenous sources and has to import the rest from various outside sources. Let me also point out that if this year Turkey's exports reach the expected \$6-billion level 60 percent of that revenue will be spent for petroleum imports. I would like to emphasize that Turkey continues to be largely dependent on foreign sources for its energy needs despite its desire to change that situation.

In 1982, the investments of our ministry, which has a broad range of operations, amounted to 418.1 billion Turkish liras. It is envisioned to raise these investments to 545.2 billion Turkish liras in 1983. Investments in 1983 will thus have increased by 30.4 percent over the previous year. However, if we consider that the investment allocations of the DSI, MTA and EIEI covered a period of 10 months, the true increase rate is 23.9 percent.

The largest portion of the investments are handled by the State Economic Enterprises and their affiliated organizations. Appropriations for the DSI and Petroleum Affairs are paid from the supplementary budget, while funds for the directorates of EIEI and MTA are paid as expenditures under Financial Transfers 940.

It was originally envisioned to allocate 2.5 billion Turkish liras for the EIEI and 10.2 billion Turkish liras for the MTA out of a total 1983 budget appropriation of 18,186,350,000 Turkish liras for our ministry. But during the discussion of the budget at the Budget Planning Commission [of the Consultative Assembly] 500 million Turkish liras were cut from each of the budgets of the EIEI and the MTA. Meanwhile, 2.7 billion Turkish liras have been transferred from the budget of the DSI to the Highways Directorate General. This is normal because those funds will be used for highway construction. However, apart from these 2.7 billion Turkish liras an additional 1.5 billion Turkish liras have been cut from the budget of the DSI. I would like to point out that these cuts will severely curtail the 1983 operations of two directorates general in particular.

We estimate that Turkey's total annual energy needs as of the end of 1981 was the equivalent of 34 million metric tons of petroleum. In other words, if Turkey had met all its energy needs by petroleum, it would have expended 34 million metric tons of petroleum in 1981. Consumption figures for 1982 have not yet been computed.

There is merit in projecting Turkey's energy needs into the future. Our projections show that Turkey's energy needs will reach the equivalent of 71 million metric tons of petroleum in 1990. That is to say, within a period of 8 years the country's energy needs will rise from 34 million to 71 million metric tons of petroleum equivalent. How much of that will be met by petroleum and how much will come from Turkey's indigenous resources are very important questions to be answered. The development of our hydroelectric resources is also an extremely important issue. The most important characteristic of hydroelectric energy is that it is a renewable resource. Another characteristic is that it is nonpolluting. Consequently, the development of Turkey's hydroelectric resources is extremely important.

The most important mission that Turkey has assigned to our ministry is the procurement of the energy needed for the country's economic development. The growth of Turkey's economy must not be slowed down because sufficient energy resources are not available. In other words, we must not prevent the Turkish people from achieving higher levels of prosperity. We have been assigned the task of helping the Turkish people to achieve its goals by providing it with sufficient energy. This is the most important mission and goal of our ministry. Our policy is to keep at a minimum the dependence of the accomplishment of this mission on foreign currency.

BENKOW SEES ALMOST FIVE PERCENT 1983 PURCHASING POWER DROP

Oslo ARBEIDERBLADET in Norwegian 10 Dec 82 p 7

[Text] "According to the figures available now, the wage increase from 1982 to 1983 cannot exceed 6 percent if the ability to compete is to stay at the present level. That may mean that the purchasing power may be reduced by 4 to 5 percent."

It was Jo Benkow, chairman and parliamentary leader of the Conservative Party who said that in an interview with the Labor press.

[Question] Do you assume that everybody will go down in purchasing power--the low-paid and the pensioners?

[Answer] At the outstart we must assume that all will be together in bearing the burdens, but in practice it is hard to imagine equal real effect on all. When it comes to the low-paid it depends on what definition you choose. A definition that says that all who, e.g., earn 15 percent less than the average in industry are low-paid is too simple and unreasonable. Responsibility, experience, training, etc., must be counted in. In the last few years it is the higher-paid that have had to bear the greatest decline in purchasing power, and many academic groups are beginning--if we take the time and cost of education into consideration--to be really low-paid.

Much Abuse?

[Question] Have you had much abuse from Willoch and Kraby for your statements that were taken as meaning that you were giving a green light to 8-percent wage increases for next year?

[Answer] No, not much abuse. But I will admit that my statements had too low a level of precision, so that they could be misinterpreted. (Benkow does not conceal the fact that he is tired of all the attention his statements about wages have received. He indicates, however, that the cooperation with Willoch is fine.) I have unbounded confidence in Willoch, and feel that he reciprocates. Moreover, we are good friends.

[Question] Was it wrong of Willoch to take pay from the Federation of Norwegian Industries for no work while he was a member of the Storting?

[Answer] At that time Willoch was employed in the Federation of Norwegian Industries. At the time the payments began it was not possible to live on the pay of a member of the Storting alone. I consider it an oversight that Willoch did not get that straightened out earlier.

8815

CSO: 3639/38

UNEMPLOYMENT NOW IN EXCESS OF 50,000

Oslo ARBEIDERBLADET in Norwegian 9 Dec 82 p 8

[Text] Unemployment had risen to 50,200 by the end of November, as shown by the Labor Directorate's latest unemployment figures. This means that unemployment has reached 3 percent of the entire work force.

The increase over the preceding month was 5,100 persons.

The unemployment figure broke down to 31,300 men and 18,900 women, and the November figure is 27,500 higher than the average for November from 1977 to 1981.

Of the unemployed, 9,000 were furloughed. In addition to the 50,200 completely without work, 15,500 worked short hours--mostly 4 days a week.

The directorate's survey cites increased inclination to report oneself unemployed because of increased job-market measures as one of many reasons for the increase in the unemployment figures.

The registered unemployment at the end of November was greatest in Hordaland with 5,060 persons, Nordland with 4,380, Østfold with 4,000, Rogaland with 3,520, Møre and Romsdal with 3,380, Sør-Trøndelag with 3,230, and Oslo with 3,140.

Sogn and Fjordane had the lowest number of unemployed with 1,280, Aust-Agder next with 1,500, and Vestfold next with 1,510.

In relation to the total work force, however, unemployment was greatest in Nordland with 4.5 percent, while Akershus was lowest with 1.0 percent.

All counties except Nord-Trøndelag and Finnmark had an increase in unemployment over the preceding month.

In November the Labor Directorate received advance notices from 142 firms about layoffs, furloughs, and reductions in working hours.

Job market measures covered 22,600 persons at the end of October. That is 2,000 more than in October 1981.

8815

CSO: 3639/38

SOLCHAGA ON ECONOMIC, INDUSTRIAL, ENERGY POLICY

Madrid EL PAIS in Spanish 20 Dec 82 pp 46-47

[Interview with Minister of Industry and Energy Carlos Solchaga by Carlos Humanes and Alberto Valverde; date and place not specified]

[Text] [Question] What criterion will your department use in allocating subsidies? And more specifically, what will be the general strategy where the plans for the industrial conversion of the sectors in crisis are concerned?

[Answer] It seems to me that it is still too soon to speak of concrete plans for action. I have already asked my colleagues to provide me with a precise study of the current situation, although I have a certain impression of dissatisfaction with the way the conversion of the sectors in crisis has been operating to date. I do not want to go into specific criticisms of earlier actions, for what is important at this time is to voice my firm political determination that certain themes on which no current action is being taken be submitted to the Council of Ministers in the first quarter of next year.

In many cases, there are major implications on the political level which should be considered along with the additional financial effort needed to arrive at a definitive solution. Some decisions, such as the geographic location of the new investments or production centers, which require redefinition, are beyond the strict jurisdiction of this ministry. Therefore, the cabinet itself must adopt these decisions. However, what I am contemplating most extensively currently is the methods which have been used in connection with the conversion plans, which from my present point of view have numerous disadvantages.

[Question] What are these methodological disadvantages to which you refer, and how do you plan to overcome them?

[Answer] The first disadvantage of the methods which have been used is the absolute lack of flexibility. Therefore a number of distortions, possibly logical, in the planned goals have developed, preventing the new investments from being channeled into the renewal of the means of production. The resources provided have been used instead, in many cases, to resolve specific financial problems.

This means that the money is not going where it should, and we are talking of public monies. On the other hand, this makes the adjustment of the enterprise

difficult, such that its agony is prolonged or these difficulties cause a delay in refloating it.

To this brief analysis we must add the multiplicity of control systems in existence, which rarely prove functional since some have an effect on the actions of the others in the majority of the cases.

[Question] From your point of view, what would the solution to these problems described be?

[Answer] I would like to say that too many responsibilities fall to this ministry, and we cannot say what each enterprise needs to do. Our future plan, almost certainly, will be designed to coordinate mechanisms which will impart a high degree of flexibility to all of the activities having to do with the conversion of enterprises or sectors in crisis.

The basic guidelines in the new plan, which is in any case pending government approval, will involve the establishment of an intermediary body, which in turn will be capable, through a holding system, of creating two new mechanisms. One, of a sectorial nature, will supervise the management of the enterprises in this sector, on a day by day basis, and will also receive the credit funds.

On the other hand, the second of these mechanisms must function such as to establish conversion plans jointly with the enterprises themselves.

The initial body would also become responsible for developing other mechanisms, in collaboration with autonomous bodies of a regional nature, the purpose of which would be to create an alternative plan for the small and average enterprise system, the only system for generating a sufficient number of jobs to absorb the concentrations of workers in activities with a limited future.

The Bayon Law

[Question] How does this new plan for the industrial sectors in the process of conversion translate into concrete short-term measures?

[Answer] Well, it is simply that, in the light of the special situation in each case, we will establish whether it needs to be dealt with through a specific conversion plan. But if this is deemed necessary, it will be pursued along the channels I have mentioned previously.

We want, as an important goal, to put an end to the earlier situation, wherein the enterprises said, more or less, that what they wanted was subsidies of the most varied nature.

However, the so-called Bayon law, which will cease to have effect next 31 December, should, I believe, be extended for a year. It is wise to retain it, since it provides a framework of action which can later be amended in greater calm.

I believe that this general outline, and each plan in particular, should be fully explained, both to the workers and to the businessmen, and that both groups should be capable of understanding that in order to succeed in putting the present economic crisis behind us, it is necessary to proceed to make major adjustments in the productive structure. Obviously, this involves sacrifice, but what is hardly justifiable is to pour public funds into a bottomless pit through special aid, when it is obvious that this method will not achieve anything but pushing a crisis forward in time, and on being postponed, it will become more serious.

[Question] As to specific sectors, which is of greatest concern to you in terms of its present situation?

[Answer] Without a doubt, naval construction. There is no explanation for the terrific delay in resolving the problems of this sector, particularly if we take into account the fact that the state plays a majority role in most of the enterprises which comprise it. The only reason which occurs to me is an obvious lack of political decision, which can be attributed to the preceding cabinet, and that which preceded it.

This sector and the whole of the metallurgical sector are those which will be the focus of attention, on a priority basis, for the men in my department.

[Question] To conclude on the subject of sectorial reorganization, what will your attitude be toward the process of increasing substitution of risk capital, which the financial intermediaries are carrying out, even though they have to take losses to do so?

[Answer] One of the criticisms which I have not yet mentioned concerns the lack of coordination in the conversion policy, this lack of ideas which has made it impossible to involve financial intermediaries in conversion to the necessary extent. In fact, many of them have abandoned everything involving capital risk, while taking substantial losses, passing this sector on to the state.

I believe that we have here an important discussion pending with the bank, which I plan to pursue at the proper time with the support of the minister of finance. It involves the implications, in terms of industrial risks, of the conversion process and the other processes for the making of new investments in industrial sectors by the large financial intermediaries in this country. I believe that this is a situation which must be terminated soon.

[Question] To proceed now to more specific subjects, what is your position on the problem of interest payments on the international debts of Spanish Aluminum?

[Answer] On the subject of Spanish Aluminum, there is a rather strict schedule of interest payments. Obviously, no one likes to have to pay these rates, but they do not constitute a pressing problem either for the government, or for the balance of payments situation, or for reserves. My impression in this regard is expressed by the popular saying to the effect that "It takes two to tango."

In this connection, I have the feeling that this problem, with the French public sector involved, as it is, cannot and should not be resolved within an isolated context. From my viewpoint, it should be dealt with within an overall context, that which includes the generic relations our country maintains with France. Naturally, it is not a matter of including everything in order to solve the problem of Spanish Aluminum, but we should try to redirect this question, like many others which may arise between the Spanish and French public sectors, along the path of bilateral relations, where, as one way to describe it, a situation of exchange of concessions can be established.

The Problems of Prerreducidos del Sur

[Question] Continuing with specific questions, what will your department's position be toward the problems of the Presur [Prerreducidos del Sur]?

[Answer] Currently we do not have a very clear picture on the subject of Prerreducidos del Sur. I am aware of the criticisms which have been made of this proposal. But it is my impression that there is a political aspect which must be considered, in this situation in which Spain finds itself. While we are constantly taking money from the regions which produce raw materials, as a result of the crisis, we must take into scrupulous account the fact that little money has been requested for industrial purposes in Andalusia. The limited industry involving some entities (I am referring both to textiles and mining) is in crisis as well, and therefore it is necessary to introduce assessment criteria other than those involving strict economic profitability.

[Question] How will the new head of the Ministry of Industry deal with the crisis Rio Tinto Explosives is experiencing?

[Answer] This government has taken special care to avoid any involvement in the problem, for the time being. Obviously, this does not mean that we will continue to stand aside from the situation. What I would, however, like to emphasize is that at no time has any commitment been made to the present officials of the enterprise or to its creditors. We have listened to both, and at the present time we are rather clear about what the real situation at Rio Tinto Explosives is.

It is quite clear to me, for my part, that this is a crisis which goes considerably deeper than the simple financing issue which is being presented to the public. The majority of the divisions on which the activity of Rio Tinto Explosives is based are losing money every year, and this cannot be ascribed solely to temporary financial difficulties.

Despite the pressures, which I regard as legitimate, to which the government has been subjected by the company officials with a view to its involvement in the debt refinancing agreement, we have always believed that there should be a prior agreement reached by the parties involved. On that basis, the government would consider what its line of action with regard to the group might be, and this is precisely the point at which we are. But whatever the case, and it is important to stress this, no commitment with regard to what has happened to date is assumed.

Within this context, we are studying the strategic problems of Rio Tinto Explosives, both from the financial and industrial points of view. The reorganization of the industrial aspect might mean restructuring some groups, basically in the chemical sector.

With regard to the financial aspect, it is my intention that this firm be to some extent the touchstone of the policy which the new government will adopt with regard to situations such as this. In the final analysis, it is my intention to ensure a clear explanation of the exquisite care and concern which will go into distributing the burdens of correcting a crisis situation justly and absolutely honestly, so that no one deviates from the course.

[Question] In any case, has a plan already been drafted which could be speedily implemented, including specific measures and figures, involving the replacement of the present Rio Tinto Explosives officials, as has been reported in some circles?

[Answer] What exists at present is a rather thorough understanding of the enterprise, which enables us to state that its problems would not be resolved even if substantial assistance were provided by the creditors, which would mean the reduction of the financial burden to a symbolic level for a lengthy period.

This means that it is necessary to consider separating assets and liabilities, sales, consumption, etc. The government has requested information from the enterprise, and on this basis it is making its assessment of the situation.

As to the insistent rumors which have circulated about the possibility that some of these operations, which seem logical, are about to be implemented, I want to stress that the government has not taken any action at all to date. Possibly an effort is being made to create an atmosphere of confidence among the creditors, making it possible to negotiate the 10 billion in additional financing along discount lines. However, there has been no sort of agreement or commitment on our part.

Nor is there any basis to the comments on the reorganization on the enterprise management level. Obviously, those now in charge have a credibility problem, both with the public and their creditors, and it would be logical to consider the possibility of replacing them. But from that to stating that the government has already appointed their replacements, it is a long leap.

Electrical Rate Increase

[Question] Changing the subject somewhat, how does the Ministry of Industry view a sector as important as that of electricity, in which seemingly, financial problems have grown substantially more acute in recent months?

[Answer] In fact, the enterprises in the electrical sector are experiencing complicated difficulties, which I do not, however, believe are as threatening as one may have heard. It is true that the electrical companies have drafted strong investment plans, the most ambitious in their history. The characteristics of the crisis have forced them to focus much of their investment risk

within a relatively short period of time, which happened to coincide with two phenomena--the sharp rise in interest rates and the weakening of the peseta, such that their foreign exchange debts have multiplied. This combination of circumstances has resulted in a increase in their financial commitments.

However, the current situation, although a source of concern, is absolutely not a dire one. Following the devaluation of the peseta and the adjustment of rates for the majority of primary energy sources, the fact is that when the companies in this sector ask for a rate increase, only one or two points in this rise are justified by the increase in fuel prices.

[Question] Speaking of rates, when will the next increase be?

[Answer] It is my personal view, and I have informed the cabinet of this, that the increase in electrical energy prices should be effective immediately. This means, then, that the position of this department gives further weight to the need to undertake an adjustment in electrical rates before the end of the year. The increase in the production costs, independent of what its origin may be, is a reality which cannot be challenged, and postponement of the increase would only contribute to further rarification in a sector which, due to its nature is extremely prone to these phenomena.

[Question] Since we are already on the subject of energy, what will the future of the National Energy Plan (PEN) be?

[Answer] I believe that the PEN has served its purpose, but that currently it shows substantial deviations from its earlier estimates, especially where consumption expectations, and even substitute energy sources, are concerned. I also want to say that the predictions of the PSOE [Spanish Socialist Workers Party] concerning energy production of nuclear origin, establishing the limit at 7,500 megawatts, are flexible, and that the real power which can be supplied to the system remains to be established. In any case, it seems to me that this is not a subject which is really crucial to the energy future of the country.

[Question] Whenever there is discussion of nuclear energy, one subject inevitably comes up: what will be the fate of the Lemoniz plant?

[Answer] I would like to make my firm personal conviction that this nuclear power plant should be commissioned very clear. However, it involves a political decision which must be made by the cabinet, working in collaboration with the autonomous authorities. For the time being, it appears to me that in order to put an end to the present situation of indecision, every effort should be focused on consolidating the completion of the construction of the first group at this plant, although I am well aware that it is hardly likely that a final solution can be established prior to the beginning of next summer. To serve the energy interests of the country, it is important that Lemoniz be commissioned in as short a time as possible.

[Question] Continuing with the problems in the electrical sector, how will the participation of the state in the high tension distribution network be implemented?

[Answer] I believe that the desire of the government in this connection is very clear. Currently the private sector has an enterprise which is in charge of controlling the billing and distribution of this type of energy. It is called Aselectrica. The path should logically lead, if the energy operation is to be effective and not excessively expensive, toward an increase in the role of the administration as a protagonist in this company, in order first of all to develop on-the-spot understanding of the problems encountered, and then to be able to draft a strategy consistent with the existing needs.

The desire of the government is firm in this connection, and what is quite clear to us is that we are not going to plunge into a venture which for all practical purposes we have only heard about. It is necessary to be involved and to begin to understand what the daily problems are before making any decisions.

[Question] Within the framework of public participation in enterprises, what will the new criteria for the operation of enterprises in which the state plays a majority role be?

[Answer] From my point of view, the public enterprises have two major problems: the management capacity of some of the men heading them, in the final analysis their credibility, and their structural problems, which are usually based on their financial organization which is excessively weak where their own resources are concerned.

For the first of these two problems, we will undertake to reorganize the management bodies at a large number of the public enterprises, seeking basically to optimize their results. Obviously, the individuals who hold key posts in these enterprises play a very important role here, and in this connection, we will make use of a selective criterion for the top level officials, taking two considerations--efficiency and credibility--into account.

Where the low proportion of their own resources in relation to the total volume of activities in public enterprises is concerned, an attempt must be made to correct this, although this is a longer-term project which will require substantial parliamentary support.

[Question] In conclusion, will these criteria for action be strictly applicable to the National Institute of Industry (INI)?

[Answer] Obviously, yes. Making public enterprises more professional is a challenge posed for the present government, which is firmly persuaded that its satisfactory solution can make a substantial contribution to the modernization of this country, while at the same time contributing to somewhat better functioning of the whole.

Therefore the INI, which is in a way the mechanism which links the majority of the public enterprises together, must adhere strictly to these guidelines.

PROBLEMS WITH REGIONAL INDUSTRIAL DEVELOPMENT SOCIETIES

Madrid TIEMPO in Spanish 27 Dec 82 pp 38-40

[Article by Carmen Baztan]

[Text] According to a report of the Ministry of Economy, to which TIEMPO had access, SODI's (Industrial Development Societies), created in principle to promote the development of the most depressed regions, are not fulfilling any of their duties. The minister of industry, Carlos Solchaga, is ready to dismantle them and turn them over to the respective autonomous governments.

During the visit which Julio Rodriguez, economic adviser to the Council of Andalucia, paid last week to the minister of industry, Carlos Solchaga, a dispute was settled between the National Institute of Industry (INI) and the Council of Andalucia, a dispute which had led the autonomous agency to create SOPREA (Society for the Economic Reconversion and Promotion of Andalucia), an entity with features similar to SODIAN (Society for the Industrial Development of Andalucia), in which the INI is a majority stockholder and which it was unwilling to leave in the hands of the Andalucian Council.

Solchaga has proposed, and his proposal will be implemented, creating a joint society between SOPREA and SODIAN in which, together with the INI's majority of board members, four or five board members will be appointed by the council, so that the Andalucian Government will have a real majority on the new society's board of directors. In time and with successive expansions, the council will also acquire most of the capital stock. According to experts on SODI's, this solution has several interpretations and the future of these societies will depend to a large extent on the course which the new Andalucian society takes.

Financial and management circles in Andalucia have applauded the initiative of its Autonomous Council in this regard, "because we Andalucians must participate in and, above all, control Andalucian economic development," but they have criticized "the hastiness in creating a society which had the same goals as the already established and existing SODIAN."

The industry adviser, Julio Rodriguez, does not agree with that criticism and justifies the parallel creation of SOPREA, his own invention, "because a society with these features has to be the promoter of economic reconversion -- not only industrial, which was the exclusive area of activity of SODIAN -- and has to promote other kinds of initiatives, agricultural, touristic, etc." The Council of Andalucia is also satisfied with Solchaga's proposed solution because it places in its hands a direct means of economic promotion.

However, Carlos Bustelo, the outgoing chairman of INI, told TIEMPO that he disagreed with Solchaga's alternative to SODI's, which began with the Andalusian experiment, for in his opinion that formula will allow greater pressure to be placed on the management of the new societies, which will have to consider not only economic criteria in their work but other criteria as well. "In 1982," he said, "SODI's rejected, on the average, 9 out of 10 proposals submitted to them for participating in existing companies or for creating new companies. The political temptation and the temptation to expand the list of jobs created will oblige regional governments to select projects less rigorously."

In the unanimous opinion of business managers and financiers, the first steps taken by SODIGA [expansion unknown], the first SODI established, were a disaster. The society fulfilled the same role which the INI represented at that time on a national scale: it became a hospital for companies in crisis. But for every cloud there is a silver lining, since according to Lopez Pinto, 5 years later, when the then minister of industry, Carlos Perez de Bricio, decided to restore SODI's, "the first thing we made clear was that their legislation had to be amended."

Since then, SODI's have been defined as corporations for the promotion of industrial development in depressed regions. Their mode of operation is twofold: either they participate in already existing companies, of whose capital stock they can acquire between 5 and 45 percent, or they establish, in cooperation with private enterprise, new companies in which they can remain as stockholders for a maximum period of 10 years, which is considered a reasonable amount of time for establishing (or abolishing) the company thus funded.

SODI's also have a special characteristic: combining their role of stockholder with that of short- and long-term lenders, but only to the companies in which they hold stock. Finally, they can provide consulting services of all types and not only to the companies in which they hold stock but also to others which contract for such services.

"With the aid of the new legislation and with thousands of posters showing a sun on the horizon and the caption 'SODIAN is born,' Andalusian economic development was launched," some members of the Council of Andalucia now remark sarcastically. SODIAN was later followed by SODICAN (for the Canary Islands) and SODIEX (for Extremadura) and, last month, by SODICAL (for Castille-Leon) and SODICAM (for Castille-La Mancha), just before the PSOE takes over the central government, in regions in which the UCD [Democratic Center Union] thought it would obtain good election returns.

Harsh Criticism

Already completed for the past month, however, is a report which the government of Felipe Gonzalez ran across in the Ministry of Economy and which described as **disastrous** the operation of existing SODI's. The report notes that SODIEX and SODICAN have the worst records.

The report makes an overall criticism of SODI's as follows: "As in the old days, they continue to be a hospital for companies ..." and adds farther on that "rather than a motive force for development, they are a hospital for the neglected." In fact, of the almost 11,000 jobs in companies in which the various SODI's are stockholders, only 40 percent (about 4,500) are new jobs, which means that the rest were jobs that already existed in companies aided by SODI's.

This same impression is shared by business managers and financiers, who say that "SODI's have to become professional," to such an extent that one banker, whose establishment is a stockholder in SODIGA, told TIEMPO that "as soon as a company's employees hear that a SODI is going to acquire stock in it, they are panic-stricken, because they think that things are in terrible shape."

For Julio Rodriguez, even worse is the fact that "when SODIAN acquires stock in a company in crisis, it subsequently neglects its management," which, in his opinion, occurs "because their ideas are unclear and they make decisions based on passing circumstances."

The report's overall criticism includes financial management in particular. With some total resources of 8.286 billion pesetas (6.286 billion in capital and reserves plus another 2.000 billion in bonds--500 million from SODIGA and 1.500 billion from SODIAN), financial investments in the companies total 6.900 billion and approximately 2.6 percent is earmarked for reserves, "a ridiculous figure," according to the report, "since more than 15 percent of the companies are in crisis." The report contends that these figures also demonstrate a serious depletion of capital.

But it is the role of lender or financial intermediary which has brought waves of indignation down on SODI's. Regional financial establishments and business managers complain about a kind of unfair competition, since these companies, which would normally be turned down by banks and savings associations, obtain preferential financing by belonging to a SODI. In fact, SODI's, which have obtained their resources from the INI and regional banks and savings associations, including Bilbao and abroad, in unusual circumstances, make long-term loans to the companies in which they hold stock--which is today practically impossible for any other enterprise to obtain--and at interest 2 points below the market.

The statement of the INI's Regional Development director, Lopez Pinto, that "almost all SODI's earn money," is true, according to the report, but it is because they invest their resources, which they obtain under such unusual circumstances, for short periods in other banks in order to thus obtain speculative revenue. According to a Bank of Bilbao spokesman, "there has been and there still is a great deal of criticism in this regard: SODI's

are playing the role of financial intermediaries, which is not their responsibility, instead of devoting themselves to really being forces for regional development."

On top of everything else, neither have SODI's fulfilled their third important mission, that of providing consultation services, an area in which they could obtain profits, according to the report.

But once again, management is disastrous. For example, SODIAN recently opened representative offices in the United States, the FRG, France and Japan, in order to attract foreign capital to Andalucia; what SODIAN considers a brilliant idea ("because we get foreign capital from those places") is, according to the report, unjustifiable: French societies and all European enterprises operate with less than half the expenses of Spanish SODI's. The managerial staffs of Spanish SODI's are 2 and 3 times larger than those of similar societies in other countries: using SODIAN again as an example, it has five directors and three representatives and spent 12 million pesetas on travel alone during 1982, according to documents in the possession of the Ministry of Economy.

Felipe Gonzalez talked about the promotion of industrial development societies in the most backward regions of Spain during the investiture debate. Businessmen, financiers and economists who are experts on this kind of society believe that SODI's are really an excellent enterprise, but they agree that something about them must change: "Until now, they have only been socially profitable and they must also be economically profitable."

What SODI's Have Done

Number of holdings in companies	239
Number of these that are new companies	160
Regions in which they are located:	
Andalucia (data as of 31 August 1982)	103
Canary Islands	26
Extremadura (data as of 31 August 1982)	47
Galicia	64
Sectors to which they belong:	
Food-Agriculture and Agroindustrial	80
Extracts and Derivatives	26
Metals	43
Chemicals and Plastics	17
Paper, Printing and Graphic Arts	7
Textiles, Leather and Clothing	7
Wood and Cork	12
Other industries	16
Trade and Services	31

<u>Name</u>	<u>Number of Company Holdings</u>	<u>Total Capital Stock of Company Holdings (billions of pesetas)</u>	<u>Total Direct Jobs in Company Holdings</u>
SODIAN	103	7.4087	4,183
SODICAN	26	2.7887	1,469
SODIEX	47	2.9446	1,813
SODIGA	<u>64</u>	<u>7.3438</u>	<u>3,269</u>
Total	239*	20.4858	10,734

*Data as of 31 August 1982

11915

CS0: 3548/63

COLLECTIVE BARGAINING STARTS AS UNION DELEGATES RECEIVED

Madrid ABC in Spanish 4 Jan 83 p 39

[Text] Madrid--Today, the president of the government will receive, separately, delegations from each of the majority trade unions, namely, UGT [General Union of Workers] and CCOO [Workers Commissions], headed by the respective general secretaries, Nicolas Redondo and Marcelino Camacho; wherein the value attached is different, a priori, because whereas UGT represents the culmination of contacts maintained with various ministers and high-ranking officials in the administration, in order to learn the government's economic forecasts, to CCOO it is a response to the proposal of this federation which, on 22 December, sent a letter to Felipe Gonzalez, as well as other members of the cabinet, requesting the opening of the "second round" as soon as possible.

Also planned for today is another meeting on CEOE [Spanish Confederation of Business Organizations] and the trade unions, with a view toward arriving at the 1983 inter-confederal agreement; a meeting which will apparently shed little light on the incipient talks, owing mainly to the presidential convocation in the afternoon, which will force the unions to wait discreetly.

Just yesterday, Marcelino Camacho remarked at a meeting with the Labor Information Reporters Group (APIL) that there should be negotiating in the public sector, and that a leftist government should already have opened those negotiations which, moreover, would not entail too much trouble, because PSOE [Spanish Socialist Workers Party], in its program, upheld the maintenance of purchasing power, "an issue which we in the unions defend, and hence the agreement would occur remarkably fast." CCOO, which does not want its petitions to be confused with those put forth by CEOE at the current discussion table, much less with "management's intentions," cited a few days ago the need for opening negotiations with the government, not to be contingent on the current ones with CEOE, on the following topics: remuneration in the public sector, and a raise in pensions; an increase in public investment, and the monitoring thereof; fiscal policy; a reform of the Workers Statute and the Basic Employment Law; promotion of employment, and expansion of coverage; an increment in the GDP, and a plan for raising the rate of productivity; repeal of the Reconversion Law; a hike in the minimum wage; and a plan for improving and streamlining social security.

In the view of CCOO, which is beginning to discern discriminatory treatment on the part of the new administration, the goal, as Camacho stated it, is "for the

experience of change to triumph. From now on, we shall back all the measures which represent advancement, and we shall criticize with all our might those which represent retrogression." What most concerns them is that they may be attempting to impose a "trade union model imported overnight"; and they remark that, strangely enough, it is where the greatest percentage of votes for PSOE occurred that there is the greatest entrenchment of CCOO (Catalonia, Madrid, Andalucía, etc.).

The process of trade union elections, which ended on 31 December, is at present one of the key areas of friction between the two unions, and also for CCOO's distrust toward the new administration. In this regard, Camacho commented that, without going into the battle of statistics, two major conclusions may be drawn. On the one hand, the consolidation of the union geography, which gives CCOO a capacity for trade union action exceeding what it used to have; and, secondly, the substantial advancement of class trade unionism, because both its confederation and UGT have improved results, and "this could constitute the foundation for progressing toward unity."

The suspicion regarding the count is based upon the date finally adopted by IMAC to begin the recount of data, as well as the treatment given to the records which were challenged or which had irregularities. In the first instance, there operates in their favor the decision of the State Council, citing 1 January 1981 as the date. "According to this hypothesis, we have won the elections"; but the provisional data made available to date by IMAC compute from 1 January 1982. Insofar as fraud is concerned, CCOO regrets that, with the change of administration, there has been failure to comply with the circular letter of September, which guaranteed that records which were challenged or which showed signs of fraud would not be counted.

2909

CSO: 3548/82

NO RISE REGISTERED IN DOMESTIC DEMAND FOR 1982

Madrid ABC in Spanish 4 Jan 83 p 42

[Text] Madrid--The trend in the Spanish economic situation last year has confirmed the worst predictions made at the beginning of the year, as learned from the evaluations prepared by Confemetal in its usual report on the economic and labor situation. It notes that the slight reactivation which occurred during the second half disappeared during the latter half of the fiscal year.

Among the positive occurrences, Confemetal cites the curbing of inflation and the improvement in the balance of payments in current account. Included among the negative results are the exacerbations occurring in the areas of unemployment and the deficit in the public sector.

The report states that private consumption has declined, quite possibly for the second year in a row, because of the sharp increase in taxes and the unemployment; and the gross fixed capital formation has continued to be depressed as a result of the unfavorable business expectations, high financial costs and meager tax incentives for investment. On the other hand, note must be taken of the continued upward pressure on real financial resources that are available, a point that has been important in causing the increased cost of credit to the private sector.

Insofar as the agrarian sector is concerned, according to the Confemetal report, the exacerbation has continued during the year that has just ended. While the prices received by farmers increased by 15.6 percent during October, and wages increased by 6.4 percent, it is remarked that the decline in agricultural and livestock income has continued. Confemetal uses as a basis the drop which occurred in tractor registrations (9 percent during the first 10 months of the year) and that in the rate of coverage, which was only 70 percent; whereas it had been 95 percent during the same period in 1981.

In the industrial area, Confemetal stresses the decline in activity registered during the third quarter of the year. According to the survey of the current situation made by the Ministry of Industry and Energy, the average balance in the backlog of orders registered a drop of 6 points in comparison with that shown during the period from April to June. At the same time, the forecasts for the last quarter of the year indicated a shrinkage of 12 points in the level of the backlog of orders.

Nevertheless, the data on the industrial situation pertaining to October showed a change caused by a slight increase in the backlog of orders and a maintenance of stocks. According to the information from the Ministry's Technical General Secretariat, the backlog of orders for the aforementioned month registered a 2-point gain, standing at 44 points under the level considered as normal. The businessmen's forecasts in this respect pointed to a slight recovery. Specifically, 13 percent of the latter expected their orders to increase during the following months (as compared with 9 percent in September), 22 percent foresaw declines (19 percent in September) and the remaining 65 percent were of the opinion that no changes would occur (as compared with 72 percent in September).

Confemetal also notes in its report that the degree of utilization of production capacity dropped from 81.7 to 78.3 percent, while the forecasts on production declined considerably.

In this sector, the investment expectations also declined by 5 points for the last quarter of the fiscal year, indicating as stimulating factors the cut in manufacturing costs and the improvement in production quality. The most discouraging factors were related to the weak financing. The situation is considered to be corroborated by the forecast on energy consumption, which has registered general declines, except in the electrical sector which, at this point, is presumed to have exceeded 2 percent, a percentage slightly higher than that forecast by Confemetal in its report.

With regard to the construction sector, one of the usual "locomotives," the business report states that its reactivation has not begun, although the decline experienced in recent years has been halted. The government bidding, which registered a 41.4 percent increase during the first 10 months over the same period the year before, is considered the only factor dynamizing the sector's situation. As part of this, the slowdown in the increases of labor costs is cited as positive.

Finally, the predictions in this report indicate that the internal demand will possibly show zero growth, because of the decline in private consumption for the second year in a row, resulting from the deterioration in family income. Only one exception is noted: the increase in automobile registrations, a result of the freeze on fuel prices.

2909

CSO: 3548/82

KETENCI EYES WORKER PROSPECTS WITH 1983 WAGES

Istanbul CUMHURİYET in Turkish 23 Dec 82 p 6

["From the World of the Worker" column by Sukran Ketenci: "1983 Wages"]

[Text] The issue of minimum wages has been closed. Talks have begun in connection with the decision of principle the Supreme Arbitration Council [SAC] will take on the issue of wage increases in 1983. News items are talking about the government proposal of 15 percent plus 5,000 Turkish liras and the Turk-Is [Turkish Confederation of Labor] proposal of 31 percent.

If these are the proposals, the increase in the minimum wage will be a figure between these two proposals, probably closer to the government's view as is usually the case in every other issue. All the debates will be forgotten in a few days, and the issue will be closed for another year. On the other hand, just as the new minimum wage will affect those working for minimum wages as well as low-income civil servants and those whose incomes do not appear in tax and social security forms for the next one to two years until a new minimum wage is set, the SAC decision on 1983 wages will affect not only agreements that are up for renewal in 1983, but also those agreements which have been concluded in the past but which have left terms for 1983 open. In other words, the decision on 1983 wage increases will affect all those working under collective labor agreements, that is more than 1 million workers.

The essence of the talks under way primarily indicates that unionized workers covered by collective labor agreements will, at least for another year, have their wages determined by the SAC rather than through a free bargaining system. Whereas no concrete social obstacles remain to impede the transition to a free bargaining system and whereas authorized mouthpieces have stated that the changes envisioned by Laws No 274 and 275 will go into effect soon, all sides seem to have agreed that the "SAC remain in authority until at least the end of 1983." More importantly, Turk-Is' frequently stated desire to limit to one year the new agreements that will be approved by the SAC is not on the agenda of the talks for the moment. That will mean that workplaces where 2-year or 3-year agreements are signed in 1983 will not have any free bargaining until those agreements expire.

The conclusion of collective agreements through the SAC was at first presented to the workers and the unions as a requirement necessitated by the social conditions of an unusual period. But the SAC implementation, which covered agreements signed

in 1979 and 1980 and which has completed its second year, shows that the SAC was used as an instrument to regulate wages throughout Turkey, or rather to control workers' wages as stipulated by the economic model. As was done in 1982, an inflation rate is estimated for 1983, then a wage increase rate is endorsed in principle such that the wage increase will not exceed the estimated inflation rate. The implementation goes beyond that. In workplaces or industry branches where wages are considered to constitute a high proportion of the total costs, collective agreements are concluded which envision wage increases far below those endorsed in the decision in principle. The outcome is clear: In industry branches where workers' wages used to constitute more than 20 percent of total costs before 12 September 1980, labor receipts have now dropped to an average of 11 percent of total costs according to a recent study. Since the time when the SAC began approving labor agreements, there has been a decline in real worker wages and the average worker has grown poorer. Agreements signed in 1981 and 1982 have not only envisioned wage increases far below those provided by agreements signed in 1979 and 1980, but also those wage increases have remained far below the official inflation rates announced for those years. In order to insure that a collective agreement does not depress the real purchasing power of a worker, first his losses must be computed for the previous period, and then, to that must be added the inflation rate expected for the coming year. Only a decision in principle based on this method of computation can insure that the worker recover his former purchasing power.

9588

CSO: 3554/94

DIFFERENCES BETWEEN TUSIAD, TISK LEADERS QUESTIONED

Istanbul CUMHURIYET in Turkish 22 Dec 82 p 6

["Commentary" column by Yalcin Dogan: "Big Accomplishments in Little Time?"]

[Text] What is the difference between Ali Kocman and Halit Narin?

They are similar in the sense that they are both employers. From that perspective the attitudes of both men can be considered normal. But there is also an undeniable difference between the two. Then where is that difference? For example, when Kocman can display a more "moderate" attitude and when he can be spoken to with more "ease," does Narin lack these traits? Do the different impressions they create stem from their personalities or from the characteristics of the institutions they represent?

Kocman is the president of TUSIAD, the Turkish Industrialists' and Businessmen's Association, while Narin is the president of TISK, the Turkish Confederation of Employer Unions. In reality, both Kocman and Narin are mere symbols. Are there any intrinsic differences between the two organizations to cause Kocman and Narin to create different impressions independent of their personalities? Would there still be different impressions if TUSIAD and TISK were headed by different people?

Naturally, the issue is not one that concerns individuals or personalities. The essence of the issue lies in the fact that one of the organizations calls itself an "association" while the other calls itself an "employers' union."

TUSIAD is an employers' union formed during the 12 March [1970] period. TISK, on the other hand, has played an active role in economic and business life for exactly 20 years. Yesterday was the 20th anniversary of TISK. Twenty years ago, employer unions of the textile, food, glass, tree products and printing industries came together in Istanbul and formed the "Istanbul Association of Employer Unions." Established in 1961, this union then changed its name to the present "Turkish Confederation of Employer Unions." In the time since then, TISK has won "voting rights" in many organizations, has influenced many decisions affecting the working sector and has seen many of its administrators in various government positions. At times, TISK played an important role in institutions that had a bearing not only on the working sector but on the entire society.

While developing as an effective organization in the past 20 years, TISK showed true "skill" in influencing various institutions. Today, the institutions where TISK is represented include: the Supreme Arbitration Council, the Social Security Organization, the National Productivity Center, the Minimum Wage Determination Commission, the Labor Assembly and specialized commissions of the State Planning Organization.

TISK has exerted its influence not only through "representation and voting rights," but also through studies and publications it has funded. Every study TISK has funded in any year necessarily concludes that "labor costs are too high in total costs." TISK furthermore independently supports studies focusing on "labor costs." For example, one recent study states that "labor costs have reached 2,105 Turkish liras per workday." In other words, the monthly cost of an average worker is 63,150 Turkish liras including all supplementary payments and premiums and retirement benefits. When this study is compared to one independently made by the Social Security Organization it is found that there is a discrepancy of 130 percent between the two studies on average total daily wages.

It is obvious that in a 20-year process of development that extends from influencing organizations and institutions that steer the course of the society to international institutions and funding of a series of studies TISK has achieved some "big accomplishments."

Looking at this accomplishments, one cannot resist asking: What is the difference between Kocman and Narin? Or, where is the difference between TUSIAD and TISK?

9588

CSO: 3554/94

QUEST FOR BALANCE OF PAYMENTS ASSESSED

Istanbul DUNYA in Turkish 28 Dec 82 p 1 (Supplement)

[Text] It is well known that the foreign trade balance--or rather imbalance--is an important problem for Turkey's economy. In the past, despite all the efforts to increase exports, import figures persistently exceeded exports, resulting in foreign trade deficits which, coupled with Turkey's rising need for foreign currency, resulted in a relentless increase in the country's foreign debt. That in turn led to the Turkish industry's dependence on foreign sources.

This situation is still valid today and poses a heavy burden for the Turkish economy. In 1982, efforts were made to solve this problem at its import bottleneck.

These efforts, which are significantly dependent on the internal dynamics of the economy, could be described as a quest to curb the rate of increase of imports. Thus, reduced imports coupled with increased exports would close the gap in the balance of payments, and, furthermore, less imports would mean lower domestic demand and hence lower inflation rates.

As is known, these goals, in which lower imports would play a key role, have not been attained. However, we can say that these goals were approached in 1982. Because, this approach, which forms part of the 24 January 1980 stability measures, began to yield dividends during [1981]. That year, imports rose by as little as 12.9 percent in value compared to 1980, but they declined by 3.2 percent in quantity.

This year, we witnessed a consolidation of the gains made last year: imports declined both in value and quantity. As of the end of the first half of 1982, imports had declined by 3.7 percent in value and by 2.1 percent in quantity.

To see this steady trend in imports more clearly one must look at the distribution of imported goods. That distribution shows that, in 1982, the sharpest decline in imports occurred in industrial products.

The inadequate level of demand in the industry sector has undoubtedly played a key role in the decline in imports in that sector. According to figures compiled for the first 7 months of 1982, industry sector imports dropped by 13.4 percent from \$3.1 billion last year to \$2.7 billion this year.

During the same period, imports of petroleum products dropped by as high as 66 percent [compared to the same period in 1981]. This drop had a key role in the decline of imports in the industrial sector. As is known, the decline in petroleum product imports is the result of increased domestic oil production.

Meanwhile, the decline in imports of industrial products has been as low as 4.2 percent. This is a sign that the industrial sector has begun to implement a stable import policy.

Thus, imports of industrial products dropped from \$2.596 billion in [the first 7 months of] 1981 to \$2.478 [in the same period] this year, while imports of petroleum products declined from \$398 million to \$134 million during the periods considered for comparison.

An interesting development in 1982 was that imports in the farming and livestock sector rose from \$47.1 million in [the first 7 months of] 1981 to \$139.6 million [in the same period] this year.

The item that recorded the highest increase in farming and livestock imports was wheat. According to figures compiled for the first 7 months of 1982, this year 525,000 metric tons of wheat, valued at \$91.6 million, was imported compared to no imports in 1981.

Figures for other import items show that, in contrast to the decline in petroleum product imports, crude oil imports rose to \$1.909 billion [in the first 7 months of 1982] accounting for 40 percent of the country's total import bill. In the comparable period last year crude oil imports amounted to \$1.804 billion.

A breakdown of industry sector imports into subsector imports shows that in 1982 there were declines in both the value and quantity of the imports of most subsectors. The imports of the chemical industry, for example, amounted to \$767 million in the first 7 months of 1981 compared to \$507 million in the same period this year; there was a significant drop in the amount of fertilizers imported.

These declines contrast with increases in the imports of the metal furniture, textile and motor vehicle industries.

Imports rose [in the first 7 months of 1982] by 143 percent in the metal furniture industry, 133 percent in the textile industry and 18.7 percent in the motor vehicle industry [compared to the same period in 1981].

In the said intervals, imports rose from \$9.4 million in 1981 to \$22.8 million in 1982 in the metal furniture industry, from \$92 million to \$106.8 million in the motor vehicle industry and from \$45.3 million to \$54.4 million in the textile industry.

An analysis of 1982 imports by regions shows that there are no major changes compared to previous years. The most important difference, which reflects a strengthening of last year's trend, is the sharp increase in imports from Islamic countries which parallels the rise in exports to those countries.

Imports from Iraq rose from \$524.6 million in the first 7 months of 1981 to \$809 million in the same period this year, while imports from Libya rose from

\$320.3 million in 1981 to \$453.1 million in 1982 during the interval considered. Imports from these countries constitute a major portion of the total imports from all Islamic countries.

Among EEC countries, there have been significant rises in imports from Italy and Britain. Imports from Italy rose from \$152.8 million in 1981 to \$223 million in 1982 while those from Britain rose from \$217.4 million in 1981 to \$230.9 million in 1982 [all figures being for the first 7 months of the years indicated].

A breakdown of funding sources for imports shows that the most important changes this year were a decline in the use of private foreign capital in import financing and a sharp increase in the use of project credits.

According to figures compiled for the first half of 1982, out of a total import figure of over \$4 billion, \$3.6 billion, or 86.7 percent of the total, came from the liberation list. There was also an increase of 7.7 percent in imports from the liberation list.

As stated above, the share of private foreign capital--which played a key role in imports in previous years--in funding imports was as low as 0.6 percent, which amounts to \$23.5 million.

There was also a considerable decline in imports by waiver. Imports under this regime amounted to only \$22.6 million [in the first 7 months of 1982].

The last thing that can be said about the 1982 import policy which we tried to summarize above is that although import restrictions have had a beneficial effect on the economy they have also curbed the development of some sectors which depend on foreign sources for their raw and interim materials. The frequent complaints about this problem is a manifestation of this fact. Minimizing this and other similar drawbacks will make Turkey's import policy more consistent with the requirements of the economy.

9588

CSO: 3554/93

DEBATE OVER NATO MISSILES POINTS UP PROBLEMS OF SDP IN OPPOSITION

Copenhagen BERLINGSKE TIDENDE in Danish 12 Dec 82 p 12

[Article by Solveig Rosgaard: "When Anker Jorgensen is Given a Clear Track"]

[Text] The Social Democratic Party [SDP] in opposition is identical with a clear track for Anker Jorgensen. That can cause many complications, especially when policies and emotions from a left-of-center heart take hold of this same Anker Jorgensen, and no longer being premier, he does not have top civil servants ready with sober and judicious evaluations.

That is why there is a debate over whether the SDP has changed its position in the 3 months since the change of government, especially in the area of defense and security policy. That is strongly rejected by the majority of the Social Democratic parliamentary group. They stress that everything which Anker Jorgensen has said and done recently is completely in agreement with the opinions he has always held. At present, however, there is no one to restrain him.

Anker Jorgensen's impulsiveness is well known. But it shows itself more openly from the opposition benches, and since the Social Democratic parliamentary group is by tradition authoritarian and loyal to the party chairman and gives a former premier long reins, the party runs into problems.

The Missiles

The parliamentary group could well have done without Anker Jorgensen's thoughtless statements about the NATO missiles and the Danish appropriations and that he was indifferent to the legal aspects of the issue. But the problem was that Anker Jorgensen was not aware that the previous Social Democratic government had committed itself to paying the 26 million kroner, and he had not adequately consulted the parliamentary group. Not until several days later did several leading Social Democrats inform Anker Jorgensen that the SDP actually committed itself. The Left wing of the parliamentary group, therefore, had to attempt an elegant volte-face when the famous motion was moved, and the Right wing had to note with fear that Anker Jorgensen's faux pas had hurt the party.

Silence

Social Democratic criticism of the party's position comes, however, from outside the parliamentary group. Rightwing Social Democrats--or those whom several from other parties call "the responsible Social Democrats"--are not saying much. Partisan loyalty toward party and leader is strong. The others in the group stress that the line being pursued by Anker Jorgensen is in full agreement with the viewpoint "among the rank and file." They are fully confident of Anker Jorgensen's sense of how the ordinary voter feels about missiles, nuclear weapons, and green parties.

Metal

"And don't you see," many among the parliamentary group say, "the line is correct. Today the SDP in opposition has gotten more passed than we did during the last half year in power. Cutbacks in defense, increased missile appropriations stopped for the present, possibly taxes on pension funds, changes in the housing law.... Incredible!"

External criticism does not worry most in the parliamentary group. Former Foreign Minister and parliamentary Speaker K.B. Andersen's warning about the credibility of Social Democratic foreign and security policy was a matter of indifference to the parliamentary group. And Metalworkers' Union chief economist Steffen Moller's criticism occasioned only anger for most.

"We don't want the SDP's policy positions decided at morning meetings at the Metalworkers' Union" is the comment.

Some of the more quiet ones still believe that one should think more about issues raised in Steffen Moller's criticism.

"If it really is the intention that the DSP should become a 'green' party, that the Social Democrats' Denmark should be a third-class member of the NATO alliance, and because of hurt feelings remove itself from any influence in the Danish parliament when the party is in opposition, then I have difficulty in seeing to which group of voters one is appealing," Steffen Moller wrote recently, among other places, in AKTUELT.

The Advisers

It is unusual for the SDP to be in position. It is therefore unusual for Anker Jorgensen to have to use his advisers in a new way. It is apparent that he does not as yet use them very often. Anker Jorgensen is still a man, "who thinks aloud," and thereby throws thoughts and statements into the debate without having tried them out among the SDP leadership.

As leader of the parliamentary group, Anker Jorgensen has closest collaboration with the group's deputy chairman Ritt Bjerregaard and political whip Knud Heinesen. When he wants to cooperate.... But naturally Ritt Bjerregaard and Knud Heinesen support Anker Jorgensen 100 percent.

The other parliamentary groups leaders are group secretary Jytte Andersen and Borge Bakholt, Mogens Camre, Henning Jensen, Helle Degn, Soren B. Jorgensen, Tove Lindbo Larsen, and Hans Jorgen Jensen. Of about equal importance are the members of the SDP coordinating committee. The members attend to different policy areas and parliamentary committees, and they are called to the top meetings when their policy areas are on the agenda. Membership on the coordinating committee also reveals something about who counts within the party. There was a struggle, among others, over who should be the contact person for the cultural committee. It was decided in favor of Lasse Budtz and not Lise Ostergaard.

For the labor committee the contact person is Svend Auken. For the housing committee it is Erling Olsen, for the energy committee Paul Nielsen, for the commerce committee Svend Andersen, for the finance committee Mogens Camre, for the defense committee Knud Damgaard, for the local government committee Henning Rasmussen, for the agricultural committee Bjorn Westh, for the common market [EEC] committee Ivar Norgaard, for the environmental committee Erik Holst, for the communications committee J.K. Hansen, for the political economy committee Knud Heinesen, for the justice committee Ole Espersen, for the taxation committee Mogen Lukketoft, for the social committee Erik B. Smith, for the education committee Helle Degn, and for the foreign policy committee Kjeld Olesen.

Credibility

A number of members of the coordinating committee believe that it is important for the SDP in the period of opposition "to maintain a credible profile and not flip out." From that perspective actions undertaken should be defensible when one again is in power, whenever that may be. Some of the contact people are therefore doing something to restrain some of the more impetuous members of the group's Left wing, who want to pump millions out for this and that in order not to be overshadowed by the SPP [Socialist People's Party], which is still perceived as a threat to the SDP.

On the other hand, there is also among the coordinating committee members divided opinions on how the SDP should come to power again. Some of the former ministers, Ole Espersen, Mogens Kykketoft, Poul Nielsen, are in a hurry to regain power. But not all Social Democrats are pleased that Anker Jorgensen has twice within several weeks threatened to defeat the government on foreign and security policy issues, to wit, a UN resolution and the NATO missiles.

9906

CSO: 3613/40

POLL SHOWS MOST THINK SCHLUTER GOVERNMENT DOING JOB WELL

Copenhagen BERLINGSKE TIDENDE in Danish 12 Dec 82 pp 1, 5

[Article by Michael Ehrenreich: "Voters' View: Schluter Better Than Anker J."]

[Excerpts] The "four-leaf clover" [coalition of four nonsocialist parties] government has gotten good grades from a majority of the public. The non-socialist government is doing much better than the previous Social Democratic government and started out better than earlier nonsocialist governments since the 1960's. These are the findings of the first Gallup poll surveys of the "four-leaf clover" government's political "temperature" with the voters.

A representative sample of the voters in the beginning of December answered the question, "Do you feel that the current government has done well, reasonably well, or not well in the period since it was formed?"

Twenty-eight percent of the voters answered very "well," 36 percent replied "reasonably well, while 23 percent said "not well." Thirteen percent did not reply to the question.

Gallup takes such surveys regularly. If one compares the "four leaf clover's" standing with the voters with the initial position of the last multiparty nonsocialist government, the VKR-government [Liberal, Conservative, Radical] of 1968-71, then the current government is doing better. In April 1968, 20 percent answered "well" to the question.

Top Grades to the Government

At about semiannual intervals--except when special circumstances make it timely--the Gallup Institute takes periodic surveys of the electorate's evaluation of the government of the day.

These surveys ask a representative sample of the population the question: "Do you think the current government has performed well, reasonably well, or not at all well in the time it has been in power?"

The first survey is normally taken about 3 months after the new government is formed, and the first survey of the "four-left clover" government was taken at the beginning of December.

In the summary table below the result of this survey can be compared to earlier surveys back to the first survey after the 1960 November election.

[excerpt from table since 1978]

The government has performed:

date		well(%)	reasonably well(%)	not well(%)	don't know(%)	Total
March	1978	17	47	27	9	100
September	1978	12	48	27	13	100
August	1979	10	45	35	10	100
December	1979	11	31	34	24	100
March	1980	6	36	51	7	100
June	1980	7	39	48	6	100
December	1980	10	39	45	6	100
October	1981	8	40	44	8	100
May	1982	7	43	43	7	100
December	1982	28	36	23	13	100
Average (1961-1982)		15	39	32	14	100

As is evident the "four-leaf clover" government has comparatively done exceptionally well. In comparison with the first measurement of the non-socialist government's "temperature" in April 1968 after the January [1968] elections, 28 percent replied that the "four-leaf clover" government has performed well while 20 percent said the same about the Baunsgaard government; similarly 36 percent replied "reasonably well" against 27 percent in 1968. In all nearly two thirds (64 percent) of the voters replied "well" or "reasonably well" against 47 percent in 1968.

In comparison with the last measurement of the social democratic government's "temperature" the difference is striking.

The following table shows how the answer divided by political sympathy.

Voters party sympathies	well(%)	reasonably well(%)	not well(%)	don't know (%)
"Four-leaf clover" parties	62	28	3	7
Progress and Radical parties	32	36	25	7
Social Democratic	10	37	38	15
left of the Social Democrats	6	21	58	15

As is indicated, "four-leaf clover" parties' voters are most satisfied with their government while the support parties' voters are more restrained but still satisfied. The social democratic voters are generally satisfied with the nonsocialist government, and only the really left-wing voters are dissatisfied.

(May be reprinted only if the Gallup Institute and BERLINGSKE TIDENDE are given as sources.)

9906

CSO: 3613/40

DETAILS, EDITORIAL OPINION OF GOVERNMENT'S FALL

Sorsa Doubted SKDL Ministers Backed by Party

Helsinki HELSINGIN SANOMAT in Finnish 29 Dec 82 p 9

[Article: "Sorsa not to Permit a Vote; Intense Budget Dispute Over Defense Funds"]

[Text] The controversy concerning the funds budgeted for defense aggravated the relations between the parties participating in the administration to the brink of a governmental crisis, although the SKDL group has for long made it known that it is opposed to an increase in that appropriation. The SKDL has already filed an objection as part of the budget report of the state finances committee.

Prime Minister Kalevi Sorsa (Social Democrat) is reported to have announced on 28 December 1982 that he will still tolerate the objection, but no longer any speeches in the great hall criticizing the proposed appropriation, and particularly any vote in opposition to it.

Following the emergency meeting of the cabinet and of the chairmen of the parliamentary groups of those parties that are participating in the cabinet, that was convened at 19:30 hours on the evening of 28 December, Prime Minister Sorsa stated that the decision on the defense appropriation is an issue that involves confidence in the cabinet.

The overriding question is, according to the prime minister, whether the SKDL ministers are enjoying the confidence of their own group in parliament. The question may, however, involve the dismissal of the entire cabinet, said Sorsa as he hurried to the telephone to report the situation to President Koivisto. That communication was quite brief.

The SKDL ministers were mainly uncommunicative following that meeting and busied themselves in preparations for a meeting of their parliamentary group called for 21:00 hours. The purpose of that meeting was to determine whether to apply the most extreme pressure, or whether the SKDL should yield.

According to a report from within the group, the unyielding position of the SKDL parliamentary group resulted from the fact that the group leader, Veikko

Saarto, had briefed his group in a way that differed from the way that the representatives of the other parties participating in the cabinet had briefed their groups.

While the representatives of the other parties participating in the cabinet unanimously attested that Prime Minister Sorsa did not at any point grant any special considerations to the SKDL in respect the the defense appropriation, Saarto had reported contrary information to the group, according to SKDL representatives. Following the meeting on the evening of 28 December, Minister Sorsa emphasized that the cabinet was in unanimous agreement in respect to the defense budget. The prime minister noted also that unanimity was attained at several conferences of the parliamentary groups participating in the cabinet and that no further dissension appeared imminent.

Minister of State Finance Ahti Pekkala (Center Party) considered the situation strange and awkward in which the SKDL should vote differently from the rest of the cabinet, although the matter had been agreed upon already three times.

The SKDL opposes the arms procurement appropriation totalling 264 million markkas and the granting of 700 million markkas for procurement order authorizations. The opening suggested appropriation ought to be 64 million markkas.

The purpose of these millions is the procurement, among other items, of domestic low-altitude radar equipment, field guns, motor vehicles, and gunboats for the naval forces.

The objection that was filed with the state finance committee report was undersigned by the majority and the Communist Taistoist faction.

The SKDL and Prime Minister Sorsa have already been at loggerheads several times during autumn 1982 in connection with the discussion of the devaluation package and budget talks. The beginnings of the previous governmental crisis was created prior to 25 December 1982 by the Center Party in the debate concerning the method of allocation of the unemployment alleviation funds.

Lively Foreign Policy Debate Preceded Collapse

Helsinki HELSINGIN SANOMAT in Finnish 29 Dec 82 p 9

[Article: "Parliament Discusses Foreign Policy; Taistoists Attack Sorsa"]

[Text] The Taistoist members of parliament attacked Prime Minister Sorsa and Foreign Minister Par Stenback on 28 December 1982 when foreign policy was under discussion in parliament in connection with the state budget. Prime Minister Sorsa was accused of interpreting the Treaty of Mutual Collaboration Assistance, and Friendship incorrectly and Minister Stenback of having toured in the wrong countries.

Minister Stenback, who opened the foreign policy discussion, complained that, because of his tour abroad, he "had no opportunity to make a speech here at home in parliament" in connection with the proposed budget last week.

Stenback's speech dealt with the developmental needs in the administration of foreign policy and with personnel policy, about which he was quite concerned. He stressed the fact that the proper groundwork and follow-through of matters will require additional staff resources in coming years, particularly in respect to the operational tasks of the ministry. Moreover, career advancement and compensation measures must be updated so that the faith and job morale of young officials will not be placed under undue strain.

Social and subsistence security must be established for the spouse of those officials who are required to work abroad and school attendance must be provided for their children, otherwise personnel will not be found for representation abroad, according to Stenback.

If Minister Stenback should look after the needs of the foreign ministry officials, then Taistoist MP Marjatta Stenius-Kaukonen will look after the orientation of the foreign minister's trips abroad. After first demanding active support of the new Soviet peace overture and offices of its own in Helsinki for the Palestinian Liberation Organization, she then accused Minister Stenback of passivity and of overly western-oriented travel abroad.

In Minister Stenback's view that speech contained accentuations that are strange to Finnish foreign policy. Nor could he understand how MP Stenius-Kaukonen could allege that he has favored the West when he has already made four trips to the Soviet Union during his, as yet, brief tenure.

Minister Stenback reported also that the cabinet already has a foreign policy report in readiness to present to parliament whenever parliament finds time to receive it.

The cooling in the world political climate has its reflection in Finland in the form of continuing demands for increases in defense appropriations, according to Social Democrat Liisa Jaakonsaari. The preparations add nothing to security, Jaakonsaari stressed, and she demanded a zero-line on increases in defense appropriations.

Social Democrat Mikko Elo expressed the desire that Finland prepare a concrete basic report to serve as a basis for negotiations for establishing the Nordic countries as a nuclear-free zone. "Since Finland was the originator of the proposal for the Nordic countries to be free of nuclear weapons, we could naturally expect such a report from the government of our own country."

Conservative Party MP Ilkka Kanerva rebutted allegations from abroad that Finland's foreign policy changed when Urho Kekkonen was replaced by Mauno Koivisto. Kanerva stressed that nothing has changed since the Kekkonen administration and that the continuity of the policy is evident in all of President Koivisto's actions.

"Developmental Aid a Form of Exploitation"

Pekka Vennamo of the SMP [Finnish Rural Party] branded the developmental collaborative effort to be more in the nature of exploitation than assistance.

The colonial officials have been replaced by developmental collaboration experts who live in style amid hosts of servants and ride around in western luxury automobiles thrusting developmental aid upon a country that is unable to use it.

"Although this image cannot be generalized to apply to all of the developmental work done by Finland, it nonetheless happens with deplorable frequency even in the case of Finnish assistance that the only one to gain economically from a project is the one who does the developmental work."

Christian Democrat Esko Almgren specified the Middle East as the touchstone of Finland's policy of neutrality. He said that the Palestinian people merit sympathy, but not the PLO, which deserves only antagonism and rejection.

Kalevi Mattila (Center Party) supported Minister Stenback in that the staffs of Finland's representative institutions abroad ought to be strengthened in order to withstand international competition. He praised President Koivisto for his unreserved support and continuation of the Paasikivi-Kekkonen policy.

Taistoist Communist Pauli Puhakka attacked Prime Minister Sorsa with the charge that the prime minister was deviating from the official interpretation of the Treaty of Mutual Friendship and Assistance. Also, according to Puhakka, Prime Minister Sorsa's speech at a national defense course prior to 25 December 1982 contained demands relating to the raising of the army's expenditures and to state-of-readiness legislation of the type formerly promoted by extreme rightists and reactionary military officers.

Puhakka used quotations from President Kekkonen's writings and from the specifications of the second parliamentary committee on defense to support his charge of erroneous interpretation of the treaty by Minister Sorsa. He asked whether the Social Democratic Party intends to change the basic line of Finland's foreign policy. "The content of Prime Minister Sorsa's speech perforce brings such a conclusion to mind." According to Puhakka, Minister Sorsa sees the treaty actually to be of a military nature and that it imposes preparedness obligations on Finland. "That Center Party Chairman Paavo Vayrynen lauded the smooth transition from the Kekkonen administration to the Koivisto administration. Transition phase problems have not appeared."

SMP Defeated in Voting

On 28 December 1982 parliament voted on the first of the main categories of the proposed budget, including those concerning the president, the cabinet, and parliament.

Owing to the industry of the SMP representatives, there was a profusion of vote-taking, but without success. The majority of the proposed amendments were supported only by five members of parliament of their own party.

A proposal by SMP Urpo Leppanen that the care of President Kekkonen be done elsewhere, other than at Tamminiemi, and that the proposal for the procurement of a new official residence for the president to be rejected was defeated by a vote of 173 to 5.

The SMP had several proposals for the further limiting of the upper limit on the use of liquor in the Republic. The proposal to appropriate 10,000 markkas for the maintenance of temperance in parliament was defeated by a vote of 174 to 11. The SMP proposals for limiting the salaries and other benefits of the members of parliament fared no better in support than the liquor limitation proposals.

In addition to the SMP, the removal from the budget of the 50.7 million markkas earmarked for party support was demanded also by Christian Democrat Asser Stenback. The vote was 168 to 20 for retention of that item in the budget. Some scattered votes from the bourgeois parties joined the SMP and the Christian Democrats in that vote.

The voting on the budget will continue on 20 December. The work on the budget is scheduled to be completed in time to allow the members of parliament to spend the New Year's Eve with their families.

Stalinist, SKDL Tactics Viewed

Helsinki HELSINGIN SANOMAT in Finnish 30 Dec 82 p 9

[Article: "Communists Win Decisive Victory; Over SKDL Chairman"]

[Text] The SKDL parliamentary group, weary of carrying responsibility for participation in the government, and preoccupied in the preparations for the parliamentary election, on 29 December administered a decisive reversal to socialist leader Kalevi Kivisto who, until the very end, strived to retain the SKDL in the government. Even his references to their long period of remaining in the opposition failed to persuade the Communist members of parliament to yield from their position. After the confirmation that the government had failed, Communist leader Jouko Kajanoja conjectured that the departure of the SKDL ministers from the cabinet would not at least harm the reunification of the discordant Communist Party.

He would lay no wagers on what effect the leap into the opposition, at a time so close to the election, would have on the SKDL showing in the election. The public opinion polls have not been favorable. Kajanoja feels that the espousing of an opposition policy may enliven the body of old supporters to the extent that they will press to the polls in ever greater numbers. On the other hand, Kajanoja opined that those who are vacillating between the Socialist and the Social Democrats may become offended to the extent that they will refrain from voting.

SKDL Chairman Kivisto, drafthorse of that party group of ministers, holds far more dreary expectations that being in the opposition will be an asset in the election. "Many feel so. I do not."

Kivisto admitted that he is deeply disappointed that the government should fall apart now, even after many other even more difficult issues have been successfully resolved. He conjectured that the duration of the stay in the opposition

may become quite extended. He made that clear also to the SKDL parliamentary group, which on 20 December spelled the doom for the government by deciding to vote against the arms appropriation.

In his efforts to persuade the SKDL group to continue to work with the cabinet, Kivisto received support from Jarmo Wahlstrom, a companion minister. Neither of them, and including a few other members of parliament, bothered even to go into the parliamentary chamber when the vote on the arms appropriation was being taken. The majority of the group felt that the prestige of the SKDL would be jeopardized if they were again to be satisfied with a compromise.

Kivisto was able to win to his side such members of parliament as Terho Pursiainen, Lauha Minnisto, Veikko J. Ryttonen, Vappu Sailyoja, Aulis Juvela, and Arvo Kempainen. The last named was the only one to register a differing point of view when the group decided to fight the arms appropriation to the very end.

Saarto Between Two Fires

The role of Veikko Saarto as chairman of the SKDL parliamentary group became more or less a technical one on 29 December because on that date confidence in him faltered not only in the eyes of Prime Minister Sorsa, but also in the eyes of his own supporters. Floor speakers expressed amazement of the manner in which information is exchanged between the parliamentary group and the group of ministers to permit the relations between them to deteriorate. A report from the group of ministers claims also that Saarto was able by his speechmaking to convince the group that the Communists would, without further ado, again vote, as formerly, against the arms appropriation. The group was then quite astonished when it learned that Prime Minister Sorsa was serious about the fall of the government.

On the other hand, the Social Democrats and the Center Party claim that Saarto did not make it clear in any phase of the discussions that the SKDL intends to vote against the arms appropriation. Prime Minister Sorsa is reported to have snapped that henceforth he would speak to Saarto only in the presence of qualified witnesses.

Saarto's behavior that led to loss of confidence in him has been explained by his present singleminded idea, namely, the preservation of group unity. Not many grief-stricken Communists were evident on 20 December, because they felt that in principle they had acted properly on a very important matter in which the price also did not appear excessive to many. The spirit of opposition had seen simmering growth even among the Communist majority throughout autumn 1982 and many had felt a firm stand should have been taken already in connection with the devaluation resolution. The Finnish CP minority has been dissatisfied with government policy all the while, but it has not been until autumn 1982 that the majority began to shift in greater numbers to the same point of view.

Kivisto was able, with great effort, to sway the SKDL parliamentary group into conformity on the devaluation decisions, in which billions of markkas were

shifted about, but the procurement of new motortrucks for the defense forces exceeded the tolerance limits of the group, although even the promotion of domestic employment was used as an argument for it.

Kivisto himself feels that the firm stance of the SKDL parliamentary group was a consequence of the political decisions taken during autumn 1982. Kivisto and Wahlstrom, after losing their positions as ministers, will return to their positions as members of parliament, but Labor Minister Kajanoja will transfer to Finnish CP headquarters to direct the election campaign. That possibility is based on the probability that the resignation he has tendered from his position as financing director in the Housing Administration will be accepted.

Communists Seen Losing Support

Helsinki HELSINGIN SANOMAT in Finnish 30 December 82 p 2

[Editorial: "Communists Leave Government to do Election Campaigning"]

[Text] Finland has drifted into an unexpected governmental crisis. Unexpected also is the cause of the crisis and the method of handling it. Because the Communists will not leave the government voluntarily, as a result of the crisis in confidence that they have created, as the proper procedure would have been in such a case, it is necessary for Prime Minister Kalevi Sorsa to present the resignation of his entire cabinet to the president.

At this stage the crisis arose from the fact that the prime minister quite properly made adoption of the defense budget proposal a matter of testing confidence in the government. He assumed that the Communists also would support the relatively minor additions to the defense budget, which had already many times been approved by the joint cabinet among themselves.

The creating of an issue involving confidence in government was necessary in order to reaffirm the authority of the parliamentary form of government. The principles of that form of government have already been obscured in excessive degree in recent times by various kinds of special license. But now the Communists are behaving as if they do not comprehend parliamentarism at all.

Parliamentarism implies a relationship of confidence and cooperation between the executive authority and parliament and the management of governmental matters in mutual understanding with parliament, or with a portion of it.

The maintenance of the spirit of confidence and of mutual understanding, however, has been far distant in this controversy. The cabinet had, in fact, unanimously approved the defense budget during autumn 1982. That being the case, the Communist ministers as well were committed to the cabinet policy, but they reneged in parliament and thus gained the nonconfidence of even their own supporters.

The Communist operation can be comprehended only against the backdrop of a situation in which they are greatly panicked about their own support. When

the figures indicating popular support was 11 percent in the election of presidential electors and now stands in the neighborhood of 15 percent, down from the 17.9 percent in the last parliamentary election, it does not speak well for the SKDL situation. By means of this operation the Communists were able to achieve apparent order in their ranks in an attempt to present an outward image of unity in their movement. But there can hardly be any doubt to anyone that the issue involved only one matter, namely, the defense appropriation. In addition, the attempt to decrease that appropriation represented an extremely myopic point of view. Had it succeeded, it would have increased unemployment at home and paradoxically in this case, would have increased the disparity in the balance of trade between Finland and the Soviet Union.

The operation also serves actually to destroy mutual confidence among the leftist parties. The restoring of that after the parliamentary election may, at its worst, prove to be insurmountable.

But outsiders have no reason to believe that the Communists did not know what they were doing. The desire to be in the opposition has been widespread already for quite some time. Now when it becomes fact, the cabinet will be rid of a useless millstone. The Republic can get along without them.

Many possibilities exist for managing the interim period from now to the election. The best method might be to form an interim government on a narrow base, as previously. Resort to a caretaker government of officials would not be a good solution at this time. That would be an obvious device to enable the parties to shirk responsibility in order to concentrate their efforts in the struggle for the souls of voters.

Comments on Haste to Form Cabinet

Helsinki HELSINGIN SANOMAT in Finnish 31 Dec 82 p 2

[Editorial: "Marking Time in the Haste to Form a Cabinet:"]

[Text] As expected, the resolving of the cabinet crisis caused by the Communists got off to a brisk beginning. After the discussions and necessary deliberations, Prime Minister Kalevi Sorsa tendered, as promised, the resignation of his cabinet to President Mauno Koivisto. The president urged Prime Minister Sorsa to clarify without delay the possibilities for the resolving of the cabinet problem.

Compelling reasons exist for the haste. The most important of them is the fact that the parliamentary groups had an opportunity before departing on vacation to participate in the early stages of the resolving of the cabinet problem. That serves to promote democratic parliamentarianism in that it seeks to eliminate the signs of deterioration, which effort the president has stated he wishes to strengthen. The speedy resolution of the cabinet problem is urgent also because of the imminence of the president's new year's speech.

The commissioning of the task of resolving of the cabinet crisis is the first of its type in the Koivisto administration. Its wording is conspicuously broad. In practice, it gives Prime Minister Sorsa a free hand to seek any kind of a solution. The most natural alternative of any practical alternatives is to continue on the basis of the previous cabinet. Only customary difficulties associated in the assigning of ministerial posts, and personnel problems, are encountered in that type of procedure. An abundance of candidates exists for the ministerial posts.

The speedy resolution of the cabinet issue is advantageous from the national viewpoint because it precludes an extended governmental problem and the political conditions may stabilize at a hopefully normal state. However, because of the difference in the governmental projection the conditions will not return to what they previously were.

The basis for the cabinet will be narrower than previously. But it must be noted that, even on a narrower basis, it must be a political majority cabinet whether or not the liberals officially participate in it. After all, they are included in the Center Party parliamentary group.

The opposition, on the other hand, will be numerically larger than formerly. Nor would it be amiss to say that it will also be more vociferous until the election. The Communists will see to that. They will, of course, base their election campaign on an exaggeration of their opposition to the arms procurement, by which they will allege that they even caused the downfall of the government. Still another consideration is the number of votes that can be garnered by that tactic--because it does not at all differ from their previous tactics, for instance those they used in the 1970's.

The new cabinet that comes into office, and the parties that will participate in it will need to go through a period of severe trial, especially in regard to elections. They must be able to present a clear alternative for the people, and they must refrain from promising anything that they cannot produce after the election. The Sorsa cabinet is a body of ministers of a transition period which, in accordance with parliamentary principles and practice, will leave office following the parliamentary election in March 1983. The cabinet negotiations following that election will be a touchstone for the president as well, who will be faced with the difficult task of attempting to assemble a base for a cabinet of the type he wishes.

5955

CSO:3617/46

SKDL DECIDES ON ELECTION CANDIDATES FOR MARCH VOTE

Helsinki KANSAN UUTISET in Finnish 9 Dec 82 p 12

[Article: "More and More Women, SKDL Has 227 Candidates"]

[Text] The nomination of SKDL [Finnish People's Democratic League] candidates has been concluded in the districts and the lists of candidates have been safely delivered to the SKDL's election office on Kotka Street in Helsinki.

A total of 227 candidates have been nominated, of whom 75 or 33 percent are women. Women have clearly increased their activism in the SKDL since the 1979 elections when women made up only 25 percent of the candidates.

"A closer analysis of the lists of candidates is not yet complete, but it appears that the number of new names is gratifyingly large," estimated SKDL Election Chief Antero Hautaniemi.

Presently, there are 35 SKDL MP's in the parliament. Five of them have announced that they do not intend to run for reelection. Thus one need not look for the names of Aarne Saarinen, Matti Jarvenpaa, Kauko Tamminen, Aarne Koskinen, and Pauli Puhakka on the lists of candidates. Since I-C Bjorklund and Anna-Liisa Hyvonen have resigned from the parliament and do not intend to be candidates, there are a sufficient number of new seats to be distributed.

"A change will take place for these reasons. A distribution according to age has not yet been calculated, but, in general, younger candidates are replacing older MP's," notes Hautaniemi.

The SKDL's campaign slogan is impressive and opens up new perspectives: The future depends on the efforts of the people. By this the party urges people to become personally involved in the creation of a change and a better tomorrow.

"Since society has become more complex and the opportunity for people to have a direct effect is limited and a social alienation has occurred as a result of these circumstances, we want to emphasize that people can, however, have an effect on their future by their own activism and by taking the future into their own hands, so to speak," states Hautaniemi.

CENTRAL COMMITTEE ACTS TO DISCIPLINE STALINISTS

Helsinki HELSINGIN SANOMAT in Finnish 13 Dec 82 p 10

[Article: "FCP Majority Demanded That Stalinists Be Disciplined"]

[Text] The Central Committee of the Finnish Communist Party (SKP) demanded on Sunday that the rebelling Taistoites [Stalinists] in the parliament be disciplined. The majority in the Central Committee voted 28 to 14 that all Communist MP's act in unity in accordance with the adopted decisions.

The positions taken in the vote on Sunday in the Central Committee were traditional. Vice-Chairman Veikko Alho got only the 14 members of the minority to back his counterproposal. The representatives of the so-called third line voted with the majority.

The vote in the Central Committee is connected with future events in the parliament and above all with the discussion of the government's budget.

It is suspected in the majority that the Taistoite representatives of the parliamentary faction will mount an even broader opposition to points in the budget. Thus the minority would make an even more definite break from the majority and would benefit from this in the forthcoming parliamentary elections.

SKDL Parliamentary Faction Chairman Veikko Saarto issued an appeal in KANSAN UUTiset, the chief organ of the SKDL [Finnish People's Democratic League] and the SKP, on behalf of preventing any new ruptures in the parliamentary faction.

If the Taistoites break with the majority in the consideration of the budget, it may again become necessary to resort to punitive measures in the SKDL's parliamentary faction. It was with great effort that the SKDL's parliamentary faction was formally united just before the extraordinary congress of the SKP last May.

10576

CSO: 3617/43

POLL FINDS ONLY FOUR PERCENT AGAINST NORDIC NUCLEAR-FREE ZONE

Helsinki UUSI SUOMI in Finnish 9 Dec 82 p 9

[Article: "Equal Support From Left and Right"]

[Text] The formation of a Nordic nuclear-free zone is now being supported by nearly all Finns. The leftwing and the rightwing are just as forcefully behind this concept (97 and 96 percent).

A small sampling from a lightning poll conducted by US [UUSI SUOMI]-parliament and Taloustutkimus Oy [Economic Research Corporation] indicates that a nuclear-free zone is supported particularly because of the effect it will have on strengthening peace.

Of those responding to a telephone poll conducted on 2 December 96 percent is in favor of a zone and 4 percent is opposed.

The arguments of the 4 percent opposing the concept were that "the zone is utopian, big brother will decide in any event", "it is best to be neutral", and "the idea is a waste of time unless the NATO countries are included".

National Referendum Not Needed

Prime Minister Kalevi Sorsa recently proposed that support for a Nordic nuclear-free zone be determined by a national referendum. If there is a desire to accomplish the first national referendum in such an issue in which the citizens are clearly divided into two opinion groups, there is no reason to arrange a referendum on a Nordic nuclear-free zone. Support for it is nearly unanimous.

The inclusion of the Arctic cap receives very little support when mentioned separately, only 7 percent.

Finland, Sweden, and Norway

The majority of the all the respondents to US-parliament supports the inclusion of Finland, Sweden, and Norway in a nuclear-free zone. Support for this concept amounted to 90--93 percent.

Opinions differed somewhat with respect to Norway. The rightwing considered Norway's inclusion to be more important than the leftwing did. Also youth (those under 30 years of age) and rural residents gave more support to the inclusion of countries other than Norway in the zone.

Kuola [Kol'skiy] Peninsula

The inclusion of portions of the Soviet Union -- the Kuola Peninsula asked as a separate question -- as well as the Baltic Sea in the zone would not be as important as the Nordic countries in the opinion of the majority of the respondents to US-parliament. Support for these areas was around 25 and 11 percent.

The questions did not determine whether the respondents consider the inclusion of various states or portions of them to be possible.

As far as the Soviet Union is concerned, it was exceptional that youth, respondents under the age of 34, gave the greatest support to the idea of including "a portion of the Soviet Union" in the zone (37 percent). Correspondingly, only 16 percent of those over the age of 35 was of the opinion that portions of the Soviet Union should be included in the zone.

Everyone Expressed An Opinion

The number of respondents who "do not know" is generally clearly defined in an opinion poll. However, this time all the respondents expressed an opinion when they were asked positive or negative questions on a nuclear-free zone. This is apparently a consequence of the fact that the issue has been given exceptional attention in Finland.

President Urho Kekkonen took the first step toward the formation of a Nordic nuclear-free zone in 1963 already.

Percentages

When asked "what countries or areas should in your opinion be included in a Nordic nuclear-free zone if such a zone is established", the distribution of answers was as follows:

Finland 93 percent, Sweden 91, Denmark 78, Norway 90, a portion of the Soviet Union 25, the Kuola Peninsula 15, Baltic Sea 11, the Arctic cap 7, Iceland 26, Europe 3, all of the Soviet Union 5, other areas 3, and do not know 7.

When asked why the respondents support the formation of a Nordic nuclear-free zone, the most frequently cited reasons were as follows:

Guarantee of peace 23 percent, guarantee of security 15, opposition to nuclear weapons 12, opposition to war 11, a guarantee of peace in the Nordic area 11, a reduction of the danger of nuclear war 7, as an example for others 6, a prevention of destruction/end of the world 6 percent.

Sufficient Accuracy

The lightning poll developed by UUSI SUOMI together with Taloustutkimus provides a sufficiently accurate reading of citizens' opinions with newspaper-like speed.

The margin for error is greater than the normal, but, however, completely within tolerable limits. The results provide a reliable picture of the content of citizens' opinions.

This is now the second time that a lightning poll has been conducted. The first concerned the invitation of PLO leader Yasser Arafat to Finland and it was conducted and published in the beginning of October.

The poll concerning a Nordic nuclear-free zone was conducted on Tuesday 2 December. The material for the poll was collected from telephone interviews. Eight interviewers from Taloustutkimus participated in the collection of the material. A total of 104 people all over Finland were interviewed by telephone.

The sampling was formed on the basis of previously conducted polls.

10576

CSO: 3617/43

POLL: CONSERVATIVES AND CENTER MAY WIN PARLIAMENT MAJORITY

Helsinki UUSI SUOMI in Finnish 5 Dec 82 pp 14-15

[Article: "Conservatives and Center Near An Absolute Majority"]

[Text] The bourgeois majority in the parliament would increase by a few seats if the election poll conducted by UUSI SUOMI were changed into parliamentary seats.

The bourgeois majority in the parliament would be 114--117 seats as opposed to the present 113 representatives in parliament.

The election poll transformed into parliamentary seats also predicts a significant change in power politics. According to the poll the traditional bourgeois parties, the Conservative Party and the center parties, would together receive a simple majority in the parliament. Depending on the method of calculation the majority would be 100--107.

In evaluating post-election government alternatives this is of important political significance. Together these three parties could form a majority government.

The distribution of seats in parliament computed on the basis of the opinion poll conducted by Taloustutkimus Oy [Economic Research Corporation] would mean an election victory for the Social Democrats, the Conservative Party, and the Center Party. The Social Democrats would receive 1--3 additional seats according to the poll regardless of whether or not the SMP [Finnish Rural Party] and the Christians form election alliances.

Correspondingly, the Conservative Party would accumulate eight additional seats without the election alliances of the SMP and the SKL [Finnish Christian League]. In several election districts it is estimated that the Conservative Party will receive the so-called last seats from under the noses of the Social Democrats according to the poll conducted by Taloustutkimus.

In a situation in which the SMP and the SKL have an election alliance in four election districts, the Conservative Party would receive six additional seats. In the calculations it is presumed that Veikko Vennamo and J. Juhani Kortesalmi would continue to be included on the SMP's lists.

The Center Party and the Liberals would increase their own share of members in parliament by two or three, the RKP [Swedish People's Party] would lose one. Without an election alliance with the SMP the Christians would lose three seats and would lose only one seat if there is an election alliance.

The biggest loser in the elections would be the SKDL [Finnish People's Democratic League] according to the calculations, 4--5 seats would be lost.

Differences in Surveys

The appended table also includes parliamentary seats calculated on the basis of a poll conducted by Finnish Gallup, which was published in HELSINGIN SANOMAT on 17 October. The figures promise a total of 88--90 to the leftwing or 4--5 seats more than in the poll conducted by Taloustutkimus.

Gallup's figures predict 7--8 additional seats for the Social Democrats, and 7--9 for the Conservative Party. The additional seats would be primarily at the expense of the SKDL, the Center Party, the Liberals, and the Christians.

The most essential difference between the figures of the two research institutes is this: Finnish Gallup's numbers reduce the nonsocialist majority in the parliament by 1--3 seats while Taloustutkimus reduces the socialist share by the same number of seats.

The basic difference is that there is a full 2-percentage unit difference in the percentage distribution of the polls. Gallup measures leftwing support in September at 43.5 percent while Taloustutkimus measures leftwing support at 41.3 percent at the end of October and the beginning of November.

From Where Do The Differences Come?

Apparently, the timing of the polls has had very little effect on the differences in the results even though at the time of the Taloustutkimus poll the nation was being shaken by the devaluation and its ramifications, which upset the budget.

Almost 300 men and women over the age of 18 were interviewed in the poll conducted by Taloustutkimus. The sampling is three times greater than that generally taken by Finnish Gallup. Taloustutkimus conducts continuous polls measuring political views, while Gallup conducts polls from time to time.

Thus Taloustutkimus, which "continuously" interviews people, believes that it has a more routine procedure in inquiring into the political views of people -- a matter that is one of the more difficult tasks of opinion polls.

One factor affecting the differences, which disturbed the pollsters just before last January's presidential elections, is the computational emphasis of the views expressed. This procedure is adopted because of the large number of small parties in Finland.

The supporters of small parties generally do not reflect the actuality of the sampling. Regional representation has been a problem, for example, in measuring support for the Swedish People's Party.

The situation is being corrected by means of complex adjustments, which are not necessarily the same in the various research institutes.

The small parties are difficult from another point of view also: even though the individuals being interviewed are guaranteed complete anonymity, people are still reluctant to reveal their SKDL and SMP sympathies.

<u>Political Parties</u>	<u>1979 Elections</u>	<u>1983 Prediction</u>		<u>1983 Prediction</u>	
		<u>Without SMP and SKL Alliances</u>		<u>With SMP and SKL Alliances in Four Election Districts</u>	
		<u>Taloustutkimus</u>	<u>Gallup</u>	<u>Taloustutkimus</u>	<u>Gallup</u>
SDP	52	55	60	53	59
SKDL	35	31	30	30	29
Leftwing together	87	86	90	83	88
Conservative Party	46	54	55	52	53
Center + Liberals	41	44	37	43	37
RKP	10	9	10	9	10
SKL	10	7	5	9	8
SMP	6	0	3	4	4
Rightwing together	131	114	110	117	112

The number of parliamentary seats for the various parties are estimated in the above table on the basis of calculations from two different opinion polls [Taloustutkimus and Finnish Gallup] in a dependence on whether or not the SMP and SKL form election alliances in four election districts. The prediction made by Taloustutkimus in the event of election alliances contains the assumption that the SMP's Veikko Vennamo and J. Juhani Kortesalmi are included in the elections in spite of their threats to withdraw.

10576

CSO: 3617/43

SMALL PARTIES MAY PLAY DECISIVE ROLE IN ELECTION

Helsinki UUSI SUOMI in Finnish 5 Dec 82 pp 14-15

[Article by Olavi Jouslehto: "Election Alliances of Small Parties Will Determine Power of Large Parties"]

[Text] The election alliances of the small parliamentary parties will play a pronounced significant role in the parliamentary elections in March.

If the Finnish Christian League (SKL) and the Finnish Rural Party (SMP) form election alliances in four election districts, they will perhaps gain six seats in parliament from these alliances.

The SMP would receive four seats and the SKL two. Without these election alliances the SMP would disappear from the parliament entirely.

This information is based on a recent broad sampling of voters in a poll conducted by Taloustutkimus Oy [Economic Research Corporation].

The parties themselves have not calculated the precise election returns of election alliances or plans for such alliances, but their estimates are pretty much the same.

The realization of these election alliances is still open and they cannot be accomplished without breaking agreements. The governing body of the Center Party has officially registered the fact that the Center Party has decided to enter into an election alliance with the Christian League in the election district of Kymi and the southern district of Hame after having received a promise from the Christian League that it will enter the elections alone in those districts in which it does not have an election alliance with the Center Party.

Even Broader Repercussions

Possible election alliances between the SKL and the SMP would also have repercussions on the figures of the large parties as well as on the struggle between the bourgeoisie and the socialists.

Without these election alliances the number of seats obtained by the bourgeoisie would be 114 and with the elections alliances the number would be 117. Correspondingly, the leftwing would receive 86 seats without the SMP/SKL election alliances and 83 seats with the election alliances.

The differences are a result of the fact that those election alliances would take away three seats from the SDP [Finnish Social Democratic Party], two from the Conservative Party, and one each from the SKDL [Finnish People's Democratic League] and the Center Party/LKP [Liberal People's Party] faction.

A Perplexing Situation

At the center of all this is the Christian League, which the SMP has already accused of unilaterally breaking an election alliance agreement with the SMP.

This time the leaders of the SKL are saying that the districts themselves can decide on election alliances. Thus the agreements on cooperation between the Center Party and the SKL seem to be questionable.

SKL Chairman Esko Almgren is remaining silent.

"I am not commenting on anything," he states. The answer is the same regardless of how the issue is approached.

Almgren refuses to comment even before he has heard the whole question.

Governing Body Has Old Recommendation?

It is stated in the SKL that the decisions of its districts can only be influenced by recommendations of the party's governing body.

No one in the party wants to discuss what the governing body has recommended to the party's districts. But its recommendations most likely already pre-date the party's promise to remain aloof from election alliances with the SMP according to the Center Party.

Thus it can be concluded that the governing body has not prohibited the party's districts from continuing discussions with the SMP.

Kaariainen Confirms: "We Were Thus Promised"

Party Secretary Seppo Kaariainen of the Center Party confirms that the Center Party's governing body decided on election alliances in the election districts of Kymi and southern Häme on the basis of the information that the SKL will not form election alliances with other parties in open districts.

However, Kaariainen admits that the picture is not all black and white. Only a verbal agreement was reached between the parties.

And what if the SKL enters into election alliances with the SMP?

"Then there will be a new situation and the Center Party will be faced with precise deliberations," states Kaariainen.

Will the Center Party dissolve some of its election alliances if the SKL enters into election alliances with the SMP?

"I will not speculate on that. No."

SMP Ready For a Change of Direction?

It has been stated in the Finnish Rural Party that it has decided to enter only into a nationwide election alliance.

The SMP considers that in the spring it reached a binding nationwide agreement with the SKL, which the SKL has subsequently rescinded after becoming an election alliance partner with the Center Party.

The SKL, on the other hand, says that their negotiators reached an agreement with the SMP's negotiators on a decision to take the matter up for approval by the decisionmaking organs of their respective parties. No decisionmaking organ in the SKL approved it so that the consciences of the SKL's leaders are thus free of guilt.

Now, however, there is a desire in the SMP to reverse the negative position on local election alliances. If this should happen, the SMP is apparently ready to keep the idea alive.

Contacts in Parliament

According to the SMP an election alliance of the SKL and the SMP in Northern Karelia is primarily being promoted by SKL MP Erkki Korhonen, whose position at the side of the Center Party is less certain.

It is being said in the SMP that Korhonen has promised the SMP that he will support Anssi Joutsenlahti in the northern election district of Turku.

Both of them are most likely equally interested in election alliance cooperation.

Korhonen: "I Trust in God"

The SKL's Erkki Korhonen states that he has a childlike trust in God's guidance even in this matter.

"If God sees fit that Erkki Korhonen remain in the parliament, then this will happen. If not, I will be satisfied with the outcome."

Otherwise, Korhonen is reluctant to comment on the situation. However, he states that the district of Northern Karelia has not been given any information that it cannot negotiate an election alliance with the SMP.

Korhonen also admits that there have been various discussions, but no decisions have been made one way or another.

Election Alliances Are A Technical Measure -- Or Are They?

The technical nature of their election alliances is emphasized in the Center Party and the SKL. Both parties emphasize that the election alliances have no political consequences.

However, since the change of chairmen in the SKL it has been observed that the SKL has put its own house in order and is considering its statements more carefully than before.

The SKL has a definite yearning toward the center, which will possibly be exercising future government power. However, it is doubtful that the SKL will, for the time being, place itself under the wings of the Center Party regardless of the future size of the SKL's parliamentary group.

At the same time the Center Party's disparaging attitude toward the SKL has ceased and the SKL is being given a definite opportunity to become a part of the unofficial center.

As far as the Center Party is concerned, this is probably a result of the desire to keep the political center larger than the Conservative Party in the parliament.

According to the poll the Conservative Party and the traditional center (Center Party and the people's parties) would be somewhat the same size after the elections. Without the election alliances the Conservative Party would be larger by approximately one seat.

The inclusion of the SKL would clearly make the center larger than the Conservative Party and the SDP.

These beauty contests will have their greatest significance in a situation in which the standardbearer of the bourgeois side or the name of a bourgeois prime minister is resolved.

10576

CSO: 3617/43

MINISTER DISCUSSES RELATIONS WITH QUEBEC, CANADA

Paris LE MATIN in French 10 Nov 82 p 10

[Interview with Andre Labarrere, minister for parliamentary relations, by Christian Casteran: "Trudeau's Visit to Mitterrand Yesterday"]

[Text] Canadian Prime Minister Elliott Trudeau had talks with Francois Mitterrand and Pierre Mauroy yesterday. The French and Canadians once again stated their desire to make real efforts to strengthen economic cooperation. But can this goal be attained as long as France retains "solidarity with Quebec"? Andre Labarrere is the minister for relations with parliament and was a professor at the University of Montreal in 1958 and 1966; he answers, "Why not?"

LE MATIN: In Canada, you are associated with a Canadian and especially a Quebec "lobby" in France. Does this "lobby" really exist?

Andre Labarrere: Rather than a lobby I would call it a pressure group, which makes itself felt in exchanges of ideas and as an ideological force. Remember, the party in power in Quebec, the Quebec Party (PQ), is close to social democracy in some respects. That is the position notably of Michel Rocard and, to a lesser extent, Jean-Pierre Chevenement. Some of us have personal connections with the PQ. But this pressure group operates more among the people at the Quai d'Orsay than among the members of parliament. As for myself, I have been a member of both the France-Quebec and France-Canada associations. In Paris, I respond to invitations from the Canadian embassy as well as from the Quebec delegation.

[Question] So it is possible to be a friend of Canada and Quebec at the same time?

[Answer] Yes indeed. Trudeau is a personal friend, but I know Rene Levesque very well. As for state-to-state relations, we must not be afraid of stepping on the Quebec wasp nest, even at the risk of being stung by Canadian bees! It is a continuous balancing act.

[Question] But do French socialists and the present government wish to aid Quebec?

[Answer] In 1967 I gave a speech on Quebec to the convention on republican institutions. I said, "We must help Quebec, but not just in any way possible." They are Francophobes, and they do not like us to talk down to them. We use

the same words, but they don't always have the same intellectual structure or express the same idea. We must not act like a guardian toward them; they are not handicapped. True, I feel closer to someone from Trois-Rivieres than to someone from Saskatchewan. Of course I like to stroll on the Plains of Abraham. But you have to avoid sentimentality and get rid of the glitter of the past that obscures the true problems of today. We must think in economic terms. We must have close relations with Canada, and we must also aid Quebec. But when Pierre Mauroy and I visited Canada in April, we found that the response came mainly from Quebec.

[Question] Does the PS have a "Quebec policy"? In other words, do you defend the idea of an independent Quebec or of a bicultural Canada?

[Answer] Quebec independence? That is none of our business. But we must aid Quebec. I don't think we are making sufficient use of the possibilities that Quebec offers us. It is a mistake not to consider more fully what is going on over there. True, there is solidarity, but maybe there is not enough of it yet.

8782

CSO: 3519/132

CRAXI INTERVIEWED ON PSI-DC RELATIONS

Rome L'ESPRESSO in Italian 12 Dec 82 pp 34, 298

[Interview with Bettino Craxi, leader of the PSI [Italian Socialist Party]: "Wait a While and You Will See"; date, place and name of interviewer not given]

[Text] [Question] Just 1 year ago, the PSI seemed to be going full speed ahead: Competing (and winning) against the DC [Christian Democratic Party], the lay third alternative, imminent conquest of Palazzo Chigi. Today, the scenario appears reversed: The DC recaptures the Prime Ministry, the lay parties are divided, De Mita places conditions and Craxi submits to them. Is this but a superficial impression? Or were the August and November battles, in actual fact, disastrous for the PSI?

[Answer] I have already read of this evaluation which is being chewed to a cud by more than one political observer. I find it unconvincing. When, on Monday nights, I read the bulletins from the front--the election returns from the municipalities where voting has taken place the preceding Sunday, I ask myself "From what source can these observers be drawing their observations?" Was it based on signs of a growing consensus that the PSI was judged to be going full speed ahead last year? Well, the trend continues. For example, in the last 2 months, voting has taken place in 14 municipalities with over 5,000 inhabitants, both in the North and the South: The PSI share of the vote has gone from 9 percent in the preceding political elections (and 14.1 percent in the preceding communal elections) to 16 percent. On the other hand, still speaking of the major parties, the DC has dropped from 39.2 percent in the politicals (and 37.5 percent in the administratives) to 32.7 percent. And the PCI [Italian Communist Party] from 32.7 percent in the politicals (and 28.5 percent in the administratives) to 25.7 percent. These are facts, not sighs.

[Question] In that case, why was a forcing bid for early elections not possible during the August, and again during the November one?

[Answer] Following the August crisis, which some REPUBBLICA editorialists in particular (to say nothing of its ineffable managing director), and with marked insistence, judged to have been disastrous for the PSI, a quite accurate public opinion poll was taken. During the first week in September,

The PSI was still benefiting from the positive effects of that "roller," which originated in the country's grass roots and which, despite all the efforts that have been made, of all kinds and reputes, has still not been stemmed. We are ready at all times to face the judgement of the voters. We have not pressed for early elections because we have preferred to let the governability issue run its course for a while, to the limits of its possibilities.

[Question] And does the Fanfani government have the lift-off force and cohesion it will need to reach the spring of 1984? Or will there be a coupling of the administrative and political elections in 1983?

[Answer] In our opinion, the bringing together of the two elections scheduled for 1983 and 1984 would be a good thing. It has been the subject of exchanges of views and of evaluations, and is one on which we will decide at the opportune time. Not forgetting, of course, that, in the event of a possible request for early elections, the final decision will rest with the head of state, with Pertini.

[Question] Let us get back to the political scenario. The lay parties are divided...

[Answer] Surprisingly, a separation of policy views has come about on the part of the PRI [Italian Republican Party]. I am hopeful that it will not become too polemical a separation. On the other hand, there is a trend on the part of the other lay parties toward communicating and meeting with each other and rejecting the role of second-rate followers of the DC. Of course, relations with the DC are always difficult, especially when aspirations of a hegemonic and absurdly resumptive type are seen to resurface. First of all, however, this is not always the case. And secondly, we are not in a position to dictate law, but we are perfectly positioned to prevent others from doing so. A coalition endures if it offers all parties the possibility of seeing their views prevail and of satisfying them fully or at least in part. It requires a sense of restraint and a spirit of cooperation. Without these, the coalition becomes paralyzed and, at the first contretemps, falls flat on its back. The August and November crises, in fact, arose because solidarity, a sense of restraint, and the spirit of cooperation were all missing.

[Question] What, then, has changed in the relationship between the DC and the PSI with the advent of a hard-liner like De Mita to the secretariat of the DC?

[Answer] For many years, I was pictured as a hard-liner. I am not a goldfinch [a cagebird in Europe] but neither am I, as I am imagined to be, a sharp-witted Forattini nor the goodly Pericoli or excellent Pirella. Now it is De Mita's turn. If he were really the hard-liner type who charges with lowered head, sooner or later he would have bumped it and broken his neck. But that does not appear to me to be the case. If it were, it would be a serious problem: Hard-liners are often dangerous, because they are undermined by a deep-seated inner frailty. In politics, as in life in general, it

is better to have to deal with men of character who are capable of reasonableness and fair play. I do not believe De Mita has thought or can possibly be thinking of reducing us to a subordinate role; or that, in the event the thought has accidentally crossed his mind, he has deemed it, or could deem it, possible of achievement.

[Question] However, he has confronted you with a choice: With us, or with the communists.

[Answer] De Mita has recently been harping on a sort of theory of the so-called "alternative choices"--the DC or the PCI--a theory that is laced with abstractions and that has, in fact, aroused the suspicion among the socialists that the role of the PSI is being grossly undervalued. The fact is that stirring up the idea of subordinating us to one or the other of the two major parties, or to both together, provokes among the socialists terribly negative reactions that sometimes become very difficult to control.

[Question] The PSI was trying to wean from the DC the progressive middle classes, that is, the sector of the lower and middle bourgeoisie that rejects welfarism and wage protectionism and that is not averse to a certain "rigor." Have you given up on them? Are you leaving them to De Mita and to Gorla?

[Answer] We continue to strongly oppose parasitic welfarism, unfair egalitarianism, the misuse of public funds and the frightful evasion of taxes. But we do not want to respond to the excess of corporate demagoguery with excesses of antisocial demagoguery. We stand for a policy of rigor, of reconstruction and of justice, because these are what Italy's economy and society need. We have given not one but many proofs of our great sense of responsibility in this regard and also, if I may say so, of our steadfastness and courage. Only an overriding awareness of the general interests of the nation as a community and a strong spirit of justice can shed light on and render practical a policy of rigorous limitations and modifications. Not only and not so much in the next few months, but more so and to a growing extent over the next several years, we will have to fall back on rigor as a way by which to correct what needs to be corrected in the life of the nation and its institutions, and to prod and help the Italian society to put forth its finest effort to meet the problems and difficulties of the future. We are not underestimating the aggressive doggedness with which classes, castes, clienteles and fortunes are defending and will defend the privileges and immunities they currently enjoy. This is why we maintain an ongoing open dialogue with the nation's progressive classes. It is a fruitful dialogue because many of their ideas are ours as well. And together, we have high hopes.

[Question] And is a socialist Prime Ministry a forgotten demand?

[Answer] As far back as April, I cut short all inferences and speculation as to intentions. I tried to put an end to what had become a kind of national sport, stating explicitly and without any mental reservations that I had

no candidacies to propose for the office of prime minister under current political conditions and during the term of this legislature. And I conducted myself in accordance with this position during the two crises that followed.

[Question] Has it made any difference to the PSI, and does it make any now, whether the government is led by a layman like Spadolini or a Christian democrat like Fanfani?

[Answer] Spadolini had exhausted his experience. There were no new lay candidates to propose. There was a certain rule of rotation to consider. The president of the Senate seemed the best choice to take over the functions of leadership of the government and provide guaranty in a situation that was on the verge of a traumatic conclusion.

[Question] In your opinion, does the socialist militant prefer Spadolini or Fanfani?

[Answer] He or she prefers a socialist.

[Question] The PCI has alluded to "blackmail and suspicions" that circulated among the political forces involved in the last crisis. Was the PSI blackmailed?

[Answer] The allusion could certainly be well founded with respect to "suspicions." As to blackmail, I saw none, heard none and cannot imagine any, unless the term "blackmail" is taken to mean the normal game of political conditioning in which to some extent, in the life of a free and pluralistic democracy, everyone is involved. As for the rest of it, we ourselves are as free as the air we breathe.

[Question] As for the alternative: What keeps the PSI from accepting the communist "challenge" in this arena? Is it perhaps the conviction that every time the PSI aligns itself too closely with the PCI, it ends up being penalized?

[Answer] The Italian Left must come to terms with its history if it wants to have a future. We have to a great extent done so and are still doing so. The communists have barely begun doing so. The acceleration and developmental direction taken by certain processes of change depend also on the circumstances in which they are taking place, but above all, on the human will and determination underlying them. We are not losing sight of the problems and strategies of the Italian Left and the evolution of relations between forces whose lineage goes back in time to a single and remote root stock. Basing our thinking, however, on the facts of current reality, we today must conclude that the conditions for an alternative of the Left have not yet emerged in a convincing manner. What we see can also be seen by the voters. The Italian communists must, first of all, launch a challenge to themselves and to the possibility and the probability of a rapid revision and transformation on their part. If they linger to polemicize with us, to try

to tutor us, to substitute sermons for aggression, they are frankly wasting their time. The "neighbor's vegetable patch" today is vigilantly guarded. The socialist interlocutor is today more demanding, more aware, more mature. And tomorrow, possibly, he will be stronger.

9399

CSO: 3528/57

PSI POLICY ANALYZED BY COLLETTI, PINTOR

Rome L'ESPRESSO in Italian 12 Dec 82 p 33

[Text] The latest PSI [Italian Socialist Party] decisions have left some perplexed, others disappointed. Why? Let us hear what Lucio Colletti and Luigi Pintor have to say.

Lucio Colletti

From the start of the legislative term (summer 1979) to spring of this year, Craxi's performance had been a successful combination of realism and boldness. Showing a high sense of responsibility, he had consented to the restoration, after many years, of the the Center-Left (from which the PSI had, in fact, withdrawn with its bones broken), thus guaranteeing the "governability" of the country. At the same time, mindful of its previous experience, the PSI had succeeded in keeping (despite the seeming impossibility of doing so) its new alliance from appearing to be a subordination to the DC [Christian Democratic Party]. Its cooperation in government within a continuing dialectical framework, but, above all, its demand for "rotation" of the executive leadership, had conveyed a triple message to the country: a) that the PSI could no longer be taken for anyone's "spare tire"; b) that the DC-PCI [Italian Communist Party] polarism was paralyzing democracy in Italy, preventing change; c) that growth of the laical-socialist alternative could, little by little, have unblocked the situation. The yield from this policy, conducted at times with somewhat excessive "grimness of mien," was, on the one hand, the dislodgement of the DC and PCI (for months, Berlinger, was kept hugging the ropes), and, on the other, a lay presidency for the first time in the history of the Republic. Finally, it appeared that the institutional reforms issue might provide a respite to this policy.

Having succeeded, almost miraculously, in making of such a relatively small party, as is the PSI, the fulcrum of the political balance, Craxi should have seized the initiative to cash in on that 5 or 6 percent of additional votes that had become ripe for picking throughout the country, without waiting for the situation to turn against him. There was no lack of opportunities to do this. The most propitious one had been offered him by the DC itself with its violently antisocialist congress. The interests of the PSI, furthermore, coincided with those of the country. Then again later,

the elections over with and the new legislature seated, all the strictly economic measures demanded by the situation could have been brought into play. But, no. The August crisis--though delayed--burst upon the scene, as everyone knows, a-clanging. The "DC-PCI government" game plan was nothing but a bluff. Had they really gone through with it, it would have been manna from heaven. The fact is, however, that, having missed both those opportunities, Craxi seems to have become more and more vulnerable to the course of events, whereas De Mita appears to have stood his ground in a manner that would have done credit to Napoleon. Since nothing that takes place is without its reasons, I imagine that Craxi also had his good reasons. As for myself, I can only say that I have not really understood them. I would hope, however, that the rest of the country has indeed understood them.

Luigi Pintor

Perhaps, the "Craxi phenomenon" never really existed. Perhaps, it was only an illusion, a fiction invented by his overly zealous backers or detractors. What a beautiful dream, or terrible nightmare, the sudden appearance on the political scene, of an odd man out, of a Socialist Party, independent, resolute and able to influence the behavior of the Christian democratic and communist giants! Something new, arguable, but in the end, something new.

Thus, Bettino Craxi, an erstwhile nobody, became, for 6 years, a somebody. Strong-willed, sure of himself, dynamic, enterprising. Modern. The fulcrum of the political balance, the keystone of the arch. The lay alternative and grand Reform. A big roller, from the Midas plot to unanimity at Palermo, from 9 percent to 14 percent, indeed to 20 percent of the vote, from Via del Corso to Palazzo Chigi. Until finally, as occurs in the fable, the little country boy makes his bow and the ricotta [perched atop his head] tumbles into the dust.

And so, in the space of 6 months, the image of Bettino Craxi has tumbled, reverse side up. Unsure, leaden, frightened. A clay pot, a tiny ripple, a minor coast trader. From lay lode, alternative, rotation, to Christian democratic centrality. From grand Reform to grand Restoration. From the modern to the prehistoric. From socialist presidency to Fanfani monarchy. From the challenge of political elections to the panic of administrative elections.

A socialist leader once said to me that, contrary to appearances, Craxi has good general ideas but is a very poor tactician. That may be so, even though tactics are visible whereas general ideas are not. But perhaps his misfortune is to have had too rapid a rise in fortune at the beginning, rendering more blatant and searing the disappointment. Exit the gladiator, leaving on the scene a juggler who has lost control of the platters and balls he has whirled into the air, which come down over his head and end up under his feet, as the curtain falls, amid the public's unkind boos and catcalls.

9399

CSO: 3528/57

NEW SOCIALIST-LEFT PARTY CHAIRMAN URGES UNILATERAL DISARMAMENT

Oslo AFTENPOSTEN in Norwegian 6 Jan 83 p 5

[Article by Thorleif Andreassen]

[Text] "The SV [Socialist-Left Party] involvement in the peace movement will probably give the party a little boost in the polls." That claim was made by the next SV party leader, Theo Koritzinsky, speaking to AFTENPOSTEN. Asked if the peace movement might not become a tool for the Soviet Union, leading to unilateral western disarmament, Koritzinsky replied: "I can see no other way out of the arms race spiral than having individual countries taking the step toward unilateral arms reduction."

Theo Koritzinsky said that peace and arms reduction policies will be central themes in the SV election campaign plan for the municipal and county council elections in the fall. The party will work to have municipalities and counties declared nuclear-free zones.

What does arms reduction policy have to do with local elections?

"Foreign policy determines whether or not we will live. Domestic policy determines how we will live."

But what does it mean in the broad international context that Drammen, for instance, is declared a nuclear-free zone by local authorities?

"It means something as a political symbol."

Symbol of what?

"That one rejects nuclear weapons as a means of defense and supports the viewpoints of the campaign against nuclear arms," replied the 41-year-old assistant professor at the teachers' college at Sagene in Oslo.

Koritzinsky is regarded as having an enormous capacity for work, he inspires confidence and does not belong to one of the extreme wings of the party. He will, according to SV sources, emerge as a unifying figure in the party.

You had 2 weeks to think things over before deciding whether or not to assume the chairmanship. In the days between Christmas and New Year's, you decided to accept. But what objections did you have?

"I am an unknown person. That could be a drawback for me and for the party. In addition, one should always ask oneself if one is the right person for such a job. And I really like my work at the teachers' college."

The Koritzinsky family is of Polish Jewish extraction. "I myself was born in Norway. My father was chief physician in Trondheim. He died in a German prison camp in 1942."

Academic people seem to be replacing academic people in the top posts of the Socialist-Left Party.

"Of course we would like to have more industrial workers. But more important than people's training background is that the party promotes issues that serve the interests of ordinary people," said Koritzinsky, who is of the opinion that people should not remain too long in top positions. He does not wish to stress his own special interests as party chairman, but conceded that he is particularly interested in sexual roles, equality and the division of work between men and women. He himself has had a relatively withdrawn political life in recent years, while his wife, Kari Pahle Koritzinsky, represented SV on the Oslo city council. Now the husband will mount the barricades. And his wife has said she will not seek another term on the city council.

Music is a hobby of the new SV leader. He plays jazz and folk songs on the harmonica, guitar, banjo and piano. He does not read music, but plays by ear. And that may also turn out to be Theo Koritzinsky's political playing style.

As political deputy leaders of SV, the election committee nominated sociologist Tora Houg, information consultant Kirsti Nost and skilled worker Einar Nyheim.

6578

CSO: 3639/49

PARIS FOREIGN MINISTERS MEETING ENDS, NO REAL RESULTS

Madrid EL PAIS in Spanish 12 Jan 83 pp 1, 9

[Article by Feliciano Fidalgo]

[Text] Paris--A new atmosphere, undramatization, methods different from those of the past, clarification and a common design for international policy: these are the features defining a new phase in Franco-Spanish relations devised during the past 2 days in Paris, according to formal statements made at a press conference held yesterday at the French Ministry of External Relations, and chaired by its head, Claude Cheysson, and his Spanish colleague, Fernando Moran, who were accompanied by the ministers attending the interministerial summit.

Moran stated that Basque terrorism is essentially a Spanish problem. Cheysson gave assurance that the president of the French Republic, Francois Mitterrand, desires Spain's rapid affiliation with the EEC. There were no concrete results in any area. Both delegations claim to have confidence in the common political desire which unites them, backed by the strength of their electoral majorities in each country, to engage in "a task of historic dimensions," as Moran put it, over the medium and long term.

At yesterday's press conference, arranged by the ministers of both countries to formalize the new starting point for Franco-Spanish relations which, in their opinion, is represented by this meeting, a reporter made the following comment: "All that we are hearing here gives me the impression that I have heard it 100 times already in recent years. What is there that is really new, at the conclusion of your talks?"

Moran and Cheysson agreed on the response: "The immediate problems have not changed, but in making them global we are voicing our ambitions. It has never been said, as it was today, that what unites us is far greater than what separates us." Moran, in agreement with Cheysson, added specifically: "We have not been obsessed with two points (the Common Market and the Basques). We have a common international political design and, to achieve it, frequent meetings have been set up for the ministers of justice, external affairs, economy and interior."

The group of bilateral problems was studied at this kind of "seminar," held at La Celle-Saint Cloud castle; but, awaiting the future progress of "the agreement on analysis" and citing recognition of the existence of serious problems "which obsess us and which will be discussed in order to find a solution," the Spanish affiliation with the EEC and the Basque problem largely dominated the press conference.

Without a Timetable for EEC

With regard to Spain's entry into the Community, Moran stated: "Spain wishes a prompt, acceptable affiliation, and wishes France to desire that Spain's entry will reinforce the Community." He admitted, as the French have always thought, that "there are internal Community problems which have put the EEC in a critical period of its construction"; indicating a certain philosophy in dealing with the Spanish issue. He added that Spain might participate in the internal reform of the Community, not officially, but rather through bilateral channels.

Both foreign ministers expressed agreement with the French minister's statement concerning dissatisfaction with the present Europe: "We do not want a Europe of merchants, but rather a Europe of workers, with a voice and autonomy in the world." In this area, as in the "common design for international policy," both ministers stressed that the North-South dimension should be considered when it is time to focus on regional or local problems, "just as other confrontations (to be interpreted as East-West, that is, Russians and Americans) are considered." When questioned on the possible date of Spain's entry into the European Economic Community, Moran expressed the view that it must not "fall into the trap of the timetable," but that it was necessary to take into account reference points that would foster rapid affiliation.

In connection with the ETA [Basque Fatherland and Liberty Group] problem, Moran, just as France had constantly reiterated when it was time to assess that question, agreed that its specific nature is essentially Spanish. Nevertheless, he emphasized that "there is foreign backing." The minister went on to say that France is impregnated with a culture based on the right of asylum, but it is also impregnated with a political culture that entails "collaboration with democratic countries, such as Spain, where liberties are guaranteed by the constitutional system." Cheysson, without adding a single word, confirmed: "I agree" with what Moran had said. Based upon noninterference, both governments claim to be willing to "cooperate in respect for the democracies."

As for the common international policy in North Africa, the Mediterranean, the Middle East and Latin America in particular, the two delegations expressed agreement on the establishment of cooperation of extensive scope. Moran declared: "Spain and France can do many things together in the world, and particularly in Latin America." Neither of the two foreign ministers specified examples of this potential cooperation.

Autonomy With Respect to NATO

In the context of the external ambitions of the two Socialist governments, Moran, backed by Cheysson, commented on France and Spain vis-a-vis the Atlantic Alliance: "Both countries are members of the Alliance. But, while being in solidarity with it, they also desire an autonomy that will enable them to work with a view toward peace and stability in the world." And the latter reiterated that the problems of the planet cannot be reduced to the East-West confrontation, but rather that the North-South dimension must be taken into consideration.

The Spanish foreign minister brought up the possible recognition of Israel by Spain. The latter, he explained, might change its present position (of recognition, but without diplomatic relations), if a Spanish gesture in this respect would aid in the establishment of peace in this heated part of the world.

To summarize, with these talks the French and Spaniards wished to clarify the relations between the two countries completely, and thereby lay the groundwork for a progressive cooperation. In this overall context (which President Felipe Gonzalez has advocated since the time when he was in opposition to the UCD [Democratic Center Union] government, and which the French deem appropriate), the two Socialist administrations hope "to resolve the concrete difficulties."

Present at yesterday's press conference, in addition to the two foreign ministers, were the ministers of economy of both countries, Miguel Boyer and Jacques Delors; the French minister of communities, Andre Chandernagor; and the Spanish state secretaries, Manuel Marin (communities) and Luis Velasco (commerce). The French minister of planning, Michel Rocard, who had participated in the talks during the morning, was the only one absent from this function.

The external system that has been described, marking the initiation of Franco-Spanish exchange, is what typified the first official contact between the two Socialist governments of Madrid and Paris. As both foreign ministers remarked, the methods are new, and both have shown mutual desires to deal with the solution to the present and future problems between the two countries, all of which remain unresolved for the present.

The Franco-Spanish ministerial summit meeting concluded yesterday in Paris with a statement of good intentions, and without any concrete results, except the commitment to hold periodic meetings between the ministers of justice, foreign affairs, economy and interior of the two countries. The heads of the Spanish and French diplomatic corps, Fernando Moran and Claude Cheysson, appeared at a joint press conference, held at 1300 hours in Paris, after the termination of the work meetings started by the members of both delegations on Monday night, and continued yesterday morning.

Fernando Moran stated that the time had come "to recreate between France and Spain the atmosphere of the family pacts," alluding to the historic alliance between the two branches of the House of Bourbon reigning in both countries, an alliance which is now depicted as "an understanding between peoples or Socialist Parties."

Moran and Cheysson agreed that the immediate problems have not changed, but evinced their total conviction that the foundations have been laid for finding solutions. They claimed: "We have had no desire to become obsessed with the issues of the Common Market and ETA"; stressing that both countries have a common international design.

With respect to Spain's affiliation with the EEC, Moran gave a reminder that Spain desires a "prompt, acceptable" solution, but without obsessions concerning a timetable; and Cheysson gave assurance that the president of the French Republic, Francois Mitterrand, agreed with that desire. As for ETA, Moran declared that

while it is an essentially Spanish issue, the French democracy was obligated to assist the Spanish one in cutting off the external aid. The Spanish delegation, consisting of Ministers Fernando Moran and Miguel Boyer, and the state secretaries for the communities and commerce, Manuel Marin and Luis Velasco, returned to Madrid last night.

2909

CSO: 3548/77

CHANGES IN INTERIOR MINISTRY PERSONNEL, POLICIES

Madrid TIEMPO in Spanish 27 Dec 82 pp 36,37

[Article by Santiago Acroca: "The Ministry of Interior Changes Its Organizational Chart: The Police is Revamped"]

[Text] The Ministry of Interior has concluded its changes at the top of the police structure. New administrative divisions to reinforce antiterrorist policy, affirmed as the first priority of [Minister of Interior] Jose Barrionuevo, changes in personnel which tend to consecrate the continuity of that policy unless Commissioner Jesus Merino de la Hoz, the new chief of the Citizens' Security Commissariat, invokes different methods. The surprise is that many names involved in the revamping have so far remained unpublicized.

The antiterrorist police service will soon be revamped. In the plan to be introduced by Jose Barrionuevo and to which TIEMPO has had access, a division of functions and specialities that will be coordinated by the present director of state security, Rafael Vera, is contemplated.

In said project, three general commissariats will be created in place of the single one that now exists. These commissariats will be headed by Angel Rincon Gascon, at present commissioner assigned in Tenerife [Canary Islands]" Lorenzo Perez Corredera, now on duty in Tudela (Navarre); and Jose Maria Esoudero Tejada, at present in charge of the regional information brigade of Barcelona. The threefold division of these police functions will continue to be coordinated under the Unified Command for the Antiterrorist Campaign, which will very probably change its designation, the sectors involved being respectively those of the ETA [Basque Fatherland and Liberty Group]" subversion and extreme Right; and finally, a broader commissariat charged with terrorism in general.

The three above-mentioned commissioners will share their functions with the new commissioner of the central information brigade, Jesus Martinez Torres, who is in San Sebastian.

In addition to changes in personnel, one sees as imminent the arrival of new policemen in the Basque country. According to confirmation by sources of the Ministry of Interior itself, these police will not only occupy the new barracks that are to be readied in Rentaria and Hernani but also will contribute to the regular patrol of the streets by the security forces.

What is practically assured, too, is the introduction of a bill in parliament so that the Ministry of Interior may be authorized to freeze the current accounts of the families of individuals who have been kidnapped or threatened so as to make them help finance revolution. The major drawback that has arisen in developing this type of approach originates it seems, from the Basque Socialists themselves who would seek, before the placing of such a lien on bank accounts, that some genuine means of security be provided rendering impossible the execution of terrorist threats.

Together with the assignments made in connection with the antiterrorist drive, the Ministry of Interior plans to make some appointments to complete the police structure. Within the general commissariats that of Citizens' Security, charged with the drive against ordinary crimes, has been assigned to Jesus Merino de la Hoz, an outstanding trade union official of the Police Trade Union (USP) and presently chief commissioner of Madrid's commissariat of San Blas.

The foreseeable head of the police personnel department, Francisco Mata Camero, also comes from the USP. He now works at the Police Academy. Everything seems to indicate that Jesus Prol Vazquez, now director of the Avila school, will be appointed as director of the Avila school, will be appointed as director of the instructional division. Close to the USP, Felix Simon will be in charge of the projects and installations division, which the minister wishes to upgrade since the fulfillment of a project worth several billion pesetas to recondition the barracks and commissariats of the entire state will depend on that.

With the exception of that of Madrid, a decision has been made regarding all senior police officials. The names and appointments considered as practically certain are the following: La Coruna, Federico Caverio, the present head of the instructional division; Oviedo, Gregorio Marban; Barcelona, Agustin Linares Molina, until now in Las Palmas [Canary Islands]; Saragossa, Bernal; Granada, Juan Jose Lesmes Libran, now in Pamplona; Seville, Raimundo Maestro Rebaque; Valladolid, Manuel Rodriguez Serrano, who is confirmed in his present post and command; Pamplona, Eduardo Couto, presently commissioner in Irun; Balearic Islands, Benjamin Solsona Cortes, until now in Bilbao; and Bilbao, Paco Alvarez, to date, head of the Anti-Assault Group in Barcelona.

From all these appointments one can infer that, in contrast to what has been indicated in the most reactionary sectors of the police, no inspectors originating from the Police Trade Union have been involved except in rare cases. The changes, a trade union official explained, are more in the nature of geographic reassignments. Indeed most of the police officials who will hold command positions hail from Valencia and Barcelona, locations where the present director general of the Spanish Police, Rafael del Rio Sendino, had been assigned. Continuity, or at least moderate reform, has reached the point that the controversial commissioner, Manuel Ballesteros, will become an advisor and aide to the new chiefs in charge of the antiterrorist drive.

While the details of the new police organization chart were being completed, the general director of the Spanish Police, Rafael del Rio Sendino, met with the officials of the police trade unions. In the next few days Minister Barrionuevo will repeat the interviews.

Interviews with the Trade Unions

The secretary general of the USP, Modesto Garcia, explained to TIEMPO the appropriateness of promoting the police law, regulation reforms, the defense of issues which today fell under police jurisdiction, and a complete revision of the disciplinary measures proposed by the trade unions. The final item, which the director general of the Police seems prepared to accept, includes demands tending to consolidate the police unions. On the part of the majority party's union, the Professional Police Trade Union, (SSP), Manolo Novas defended before Rafael del Rio Sendino the appropriateness of maintaining the provisions that equate with university level police studies and economic compensation when professional distinctions begin to be applied.

The interviews with the trade union officials and replacements took place at a time of unquestioned weakness within both organizations. In the USP as well as in the SPP there exist strong currents favoring a trade union agreement, and in the SPP there is a similar movement not to be too militant vis-a-vis the new administration. The two unions will hold their congresses in the first months of 1983, it being very probable that both will modify their coordination units.

Furthermore, in the Ministry of Interior the presence of [Undersecretary] Carlos Sanjuan as the political man seems to be consolidating. Thus, a recent decree published in the "Official State Bulletin" stripped the director of the State Security Brigade of his rank that was higher than that of undersecretary, the rank that used to be held by Francisco Laina, who was thus the second-ranking official in the Ministry of Interior. However, it seems that the attention of Carlos Sanjuan is directed more toward issues of internal policy and civilian administrators than toward strictly police matters. In this field the Rafael Vera-Rafael del Rio Sendino twosome is active. It is these two who originated the majority of the proposals for changes in command, changes which at the start were expected to occur much more slowly. There are some indications that the speed achieved has been the outcome of the talks held at Alfonso Guerra and Jose Barrionuevo in which the cooperation of Juan Jose Roson [former minister of interior] was highly appreciated, Roson having become one more adviser of the Socialist Ministry of Interior.

2662

CSO: 3548/64

PAPER COMMENTS ON PALME'S DEPENDENCE ON COMMUNISTS IN VOTE

Stockholm DAGENS NYHETER in Swedish 17 Dec 82 p 2

[Editorial by Svante Nycander: "Palme in the Communist Cage"]

[Text] The government's agreement with the Communists is the logical result of the way events have been developing over the past several years. In the final stage, there was no alternative. The government could not go back on its four election promises, and neither could it keep them without some kind of financing. And neither could it throw the country into another election campaign. The VPK [Left Party-Communists] understood that.

Olof Palme pointed out on Thursday that the Social Democrats had had their own majority in Parliament during only 8 of the 44 years that they were in power. They were often dependent on the votes of the Communists. But neither Per Albin nor Tage Erlander negotiated with the Communists. As far as is known, there is not a single precedent for the agreement that has now been reached between the Social Democrats and the VPK on the increased value-added tax, the study of a differentiated value-added tax, higher tobacco taxes, and higher food subsidies.

An important part of Erlander's style of governing was that he never got himself into a position where he might be forced to cooperate with the Communists. He always had enough contact with the nonsocialists to avoid falling victim to blackmail.

Why is there no trace of trust today between the Social Democrats and the nonsocialist parties? Where did this night frost come from?

It will not do to blame it on nonsocialist bloc politics. There has been no nonsocialist bloc since the middle parties and the Social Democrats reached agreement on the tax issue in 1981. The middle-party government did not burn any bridges.

The Social Democrats made a fateful choice in the late summer of 1980, when they decided to oppose the nonsocialist austerity policy a few months after the major conflict in the labor market. They decided to try to win the 1982 election on a campaign opposing reductions in real wages and social cutbacks. The lack of realism in that opposition policy has been decisively confirmed by the Social Democratic government's own actions this past fall. Its policy of one-upmanship

has been accompanied by severe condemnations, often in almost Biblical tones, of the alleged mismanagement of the economy by the nonsocialists.

The Social Democratic Party's ever-stronger ties with the labor union movement have made contact across the bloc boundary even more difficult. It was pressure from the LO [Swedish Federation of Trade Unions] that caused the tax agreement with the middle parties to be broken. The LO was also behind the tax reduction for union dues and the new tax on profits, which is one component of a collective fund system being worked out in the Ministry of Finance and the LO fortress.

Politics as a whole has taken a turn that rules out broad agreements. This has given the Communists an opportunity, and along with that, the conditions for VPK support in Parliament have been made stiffer. The agreement with the Communists dramatizes the underlying problem, which is the isolation of the Social Democrats from the parties with which they were once able to cooperate in difficult times.

Is this a one-time event? In coming years, the government will be forced to take many unpopular steps in its emergency policy--probably including both budget cutbacks and tax increases. It cannot rely on the nonsocialists to say yes to every retrenchment. For example, if the government first abolishes a nonsocialist cutback in pensions with a lot of fuss, the nonsocialists are not likely to go right ahead and vote for a cutback in pensions worked out in a different way by the Social Democrats. All experience shows that a successful emergency policy requires broad and well-established agreements whose various components balance each other. The Social Democrats are not going to solve that problem with the VPK's help.

Denmark's hopeless situation during the 1970's shows how hard it is for a Social Democratic government to tackle an emergency policy successfully when it is dependent on a small, extreme leftwing party that takes no responsibility for the national economy. Palme ought to have taken warning from Anker Jorgensen.

The agreement on the issue of the value-added tax is a political breakthrough for the VPK. It can be compared to what three-party cooperation in the 1970's came to mean for the Conservatives. After decades of struggle, the Communists have broken out of the isolation that had kept them down at the 5-percent level since the 1940's. Olof Palme is going to have to pay a considerable price for that.

11798
CSO: 3650/76

PAPER COMMENTS ON BODSTROM FOREIGN POLICY SPEECH

Stockholm DAGENS NYHETER in Swedish 17 Dec 82 p 2

[Editorial by Olof Svantesson: "Bodstrom's Economic Speech"]

[Text] There was one big advantage to the speech that Minister of Foreign Affairs Lennart Bodstrom delivered at the Foreign Policy Institute on Thursday: his address stuck close to just a few topics. Too many other speakers usually try to pack too much into such reviews of foreign affairs.

The minister of foreign affairs did not go deeply into the question of the shape that Swedish criticism of the surrounding world would take or of the status that the Baltic Sea should have in a possible nuclear-free zone--issues on which he has attracted the most attention as a beginner. The Scandinavian model was described very generally as "a stabilizing influence in European politics," although "Scandinavia has gradually become increasingly affected by the military plans and activities of the superpowers."

A useful contribution to the debate, however, was Bodstrom's comment that both of the power blocs have adopted self-imposed limits as far as certain especially sensitive resources for occupying neighboring land areas are concerned. The minister of foreign affairs does not believe that the Soviet Baltic fleet has grown at the same pace as that country's Arctic fleet. But perhaps mention should be made of very recent reports that the Soviet Union is now expanding one of its largest naval bases: the one in Liepaja, Latvia.

The fact that the community of values and interests within and among the Scandinavian countries makes it difficult for outside powers to use the situation for their own purposes is taken as a matter of course by us in Scandinavia. But it feels good when a Swedish minister of foreign affairs impresses that fact on the outside world.

The main point of the speech, however, was the importance of economic factors in security policy. Here Bodstrom was no doubt trying to create a new foreign policy profile.

Briefly stated, his train of thought went something like this: there was a time when growth and economic stability created self-confidence and brought about a relaxation of tension among countries. Today, however, economic stagnation and

recession are leading to insecurity and fear--traces of which can be seen in the way in which the superpowers are behaving toward each other. Arms buildups pick up speed as a way of compensating for the weakness people feel.

It is a thought-provoking argument. The danger is that it is completely wrong.

Growth and economic stability were in fact at their highest point just when the Cold War was at its worst. And afterward, it was, if anything, the realization that the United States was losing its ability to dominate politics and economics in the old way that drove Nixon and Kissinger to adopt a line of detente. The Soviet Union's response was conditioned largely by its awareness of its own incipient economic stagnation and its need for technology and loans from the West. Behind today's tension lies a combination of traditional power clashes and a struggle for raw materials.

The statement that "growing rifts within and among states constitute a threat to our own security" cannot be objected to under any circumstances, although it is somewhat general. Most people are surely prepared to agree with Lennart Bodstrom that "a change in economic policy (in the world) and unifying international solutions aimed at, among other things, supporting the least developed countries should go hand in hand with measures that can improve relations between the big powers." For that to be achieved, says the minister of foreign affairs, "some rethinking" is required.

The question is what Sweden is doing in the meantime. It is precisely while waiting for a change--to which our own contribution is extremely marginal--that Swedish security policy needs to be made even more concrete, vigilant, and well thought out.

11798

CSO: 3650/76

LEFT-PARTY COMMUNIST EXECUTIVE COMMITTEE ELECTS NEW MEMBERS

New Members Listed

Stockholm NY DAG in Swedish 16 Nov 82 p 3

[Text] Over the week end Bo Hammar was elected as the VPK's [Left-Party Communist's] new party secretary. That was done in connection with the party executive's electing a new executive committee.

At its meeting the party executive discussed the plan of action for the coming period and drew up guidelines for an ideological campaign.

As party secretary Bo Hammar succeeds Tore Forsberg, who is leaving that post after 13 years on grounds of illness.

Bo Hammar is a journalist and employed on the Labor newspaper NY DAG. For the last few years, however, he has been on leave to serve as the VPK's international secretary. Since 18 January 1982 he has been acting party secretary.

The executive committee (VU) now has nine ordinary members. The party chairman, Lars Werner, is elected by the party congress. Eivor Marklund has been reelected as vice chairman.

Margó Ingvardsson is now on the executive committee. She is a physiotherapist and a well-known Stockholm county council member. She has had various posts in the party and among other things has belonged to the Stockholm district executive.

The others elected to become members of the VU are Lennart Beijer, Viola Claesson, Bror Engström, Kenneth Kvist, and Bertil Måbrink.

At its meeting over the week end the party executive continued discussion of a plan of action for the coming period. The political questions that occupy a central position are unemployment, the distribution policy, and questions of peace and disarmament. Activity will be developed around these questions, both centrally and locally.

At its meeting the party executive drew up guidelines for an ideological campaign. The aim of this campaign is both to counteract the reactionary campaigns of the

SAF [Swedish Employers' Confederation] and the Conservative Party and to strengthen the position of socialism and disseminate a mode of response to non-socialist views, proposals, and ideals.

The campaign begins in the spring with studies, to be followed in the fall with outwardly directed agitation and activity.

Working Group

The party executive further decided that a working group will be appointed whose function will be to work out a follow-up to the party's program for the 1980's. The idea is that this working group shall look somewhat further ahead than is possible in plans of action and election campaign programs. The strategic perspective will be better illuminated in this way than has been the case in the past.

The party executive discussed the present political situation and made a special statement on the distribution policy. It also voiced its protest against the government's intention to make further grants to the Inter-American Development Bank.

Statement on Economic Program

Stockholm NY DAG in Swedish 16 Nov 82 p 17

[Text] "Withdraw the bill raising the MOMS [added value tax] and avoid a defeat in the Riksdag on that question." That warning is issued by the VPK's executive to the government in a statement from its meeting Sunday. The statement bears the title "Renewal, Equality, Democratization! For a Fair Distribution Policy!" It reads as follows:

"For 6 years the bourgeois government consolidated the gulfs and injustices of the Swedish class society. The election in September expressed broad-based demands for a new policy. The strong joint majority for the two labor parties must be used to fulfill the hopes for a policy in the traditional spirit of the labor movement, directed toward social justice and toward making breaches in the economic oligarchy.

"The new government's first proposal goes against that line. A few increases in social benefits, property taxes, and food subsidies cannot offset what amounts to a redistribution to the disadvantage of the masses. The devaluation and the transfers to investment funds give advantages to the capital interests--investment taxes represent a tax relief. The MOMS increase on all necessities, price rises due to the devaluation, great increases in rents, and the tax reform's large gifts to those with high incomes--all contribute to intensifying the social injustices. A reduction of the purchasing power of the broad mass of wage-earners at the same time as a MOMS increase can lead to increased unemployment. The claim that exports would give work to more people is extremely uncertain.

"When a Labor government begins to follow a policy of that kind it is taking great risks. It is going against expectations out in the labor movement. It increases

Sweden's dependence on other countries. It creates oppositions between groups that should hang together--workers and the unemployed, the gainfully employed and retirees, women and men, public and private employees. It promotes non-socialist ideas by falling back on economic analyses in a neoliberal spirit. Such a policy runs the risk of leading to an election defeat in 1985 and plays into the hands of an increasingly demagogic and reactionary Right.

"The VPK decidedly warns against such a course. Instead, the labor movement should go in for a program that strengthens the domestic purchasing power and the national market. The public sector would then have greater resources for an offensive policy. The money for the JAS [multi-rôle combat aircraft] should be invested in civilian industry, which provides many times as many jobs. State enterprises in growth industries should be supported. Funds to promote collectively owned production under the wage-earners' direction should be built up. Technology must be steered in a new direction, less crudely exploitative, environmentally safer and more humane.

"The distribution policy must be given a social form. The working class will not again be compelled to bear the burdens of the capitalist crisis. Therefore, the resolution on reduction of marginal taxes must be torn up. The wage negotiations must result in the low-paid and the working class's not experiencing further reductions in real wages.

"The VPK does not accept a general rise in the added-value tax. Therefore, we repeat our admonition to the government to withdraw the proposal for a MOMS increase and to avoid a defeat in the Riksdag. The costs of the restored social benefits can be covered in part by taxes on foreign investments and by abolishing all tax relief for stock buyers.

"The labor movement's opportunity today lies in seizing upon people's yearning for renewal, for fair and far-reaching democratization of economy and society. That opportunity must not be neglected."

8815

CSO: 3650/71A

COMMENTATOR SEES POSSIBLE TREND IN POLL LOSS FOR SDP

Stockholm SVENSKA DAGBLADET in Swedish 28 Nov 82 p 2

[Commentary by Gunnar Andren]

[Text] As always, one should be cautious about drawing far-reaching conclusions from momentary shifts in public opinion.

That is especially true if--as in today's SIFO [Swedish Institute for Public Opinion Polls] barometer, for example--all the changes lie within the margin of error that is now so universally famous throughout Sweden.

All the same:

Can it be that the minor setback for the Social Democrats is the beginning of a trend?

Let me begin by recalling two things:

1. Today's SIFO poll was conducted in its entirety after all the essential elements of the Palme government's policy had become known and been scrutinized critically by the opposition during, as one example, the fall's big general political debate. The devaluation had occurred, and we had had discussions about betrayal, protecting pensioners from inflation, and so on.

By contrast with the preceding SIFO poll, which had been conducted over a long period, the November barometer was compiled during a concentrated time period: only 14 days.

2. Parties that improve their positions in elections, especially if they also become part of the government, usually do better in the polls during the post-election period than they did in the election itself.

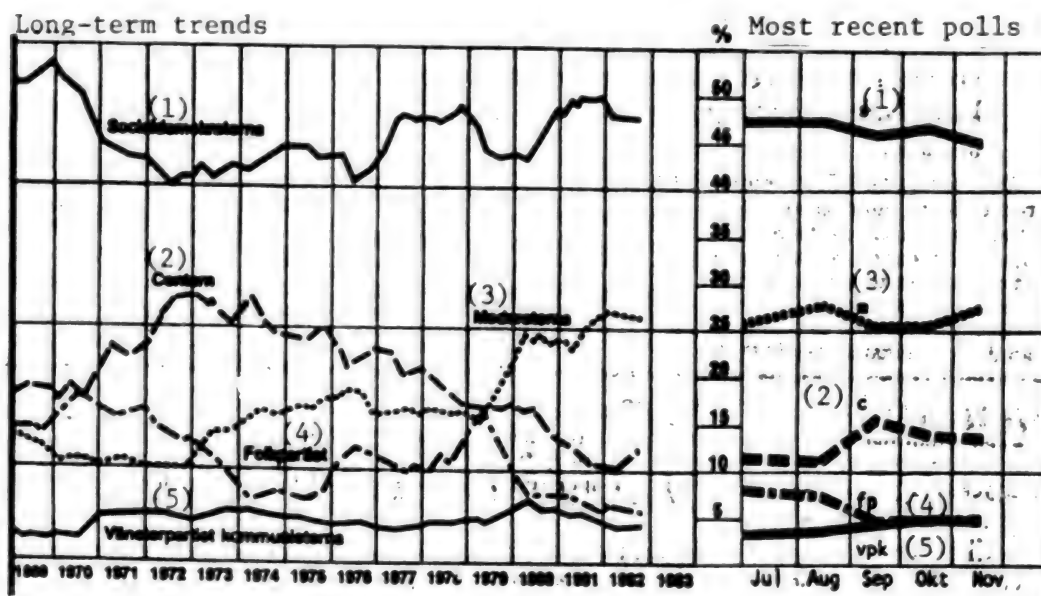
How does that accord with the development of public opinion in terms of the Social Democrats?

Actually, the answer depends on how one views the matter: on the one hand, according to SIFO, the party's voter support is currently within a few tenths of

a percent of where it was on 19 September. In terms of the long-term trend, the party is doing better than it did during the election. On the other hand, with 2 months having passed since the election, Olof Palme's voter support ought to have been 1 or 2 percent higher.

The SIFO poll for October indicated such a rise. But that trend now appears to have been broken already.

SVENSKA DAGBLADET-SIFO Voter Barometer



Long-term trend level:

Conservatives	26.3%
Liberal Party	5.7
Center Party	13.1
Social Democrats	46.3
Left Party-Communists	4.6

Above is an enlargement of the last part of the graph. The figures are taken from the table below and the corresponding polls for the preceding months.

Key:

1. Social Democrats
2. Center Party
3. Conservatives
4. Liberal Party
5. Left Party-Communists

Which party do you consider the best today?

Party-affiliated eligible voters, 18-70 years of age	Nov 1982	Oct 1982	Sep 1982*	Nov 1981	Nov 1980	Nov 1979
Conservative Party	27.0	25.5	25.5	27.0	23.0	23.5
Liberal Party	5.0	5.0	4.9	5.5	7.0	8.5
Center Party	13.5	14.0	15.4	10.5	14.0	17.0
Social Democrats	45.5	46.5	46.0	50.0	49.5	43.5
Left Party-Communists	5.0	5.0	4.5	3.5	4.5	6.0
Other parties	4.0	4.0	3.7	3.5	2.0	1.5

Eligible party-affiliated voters 100.0 100.0 100.0 100.0 100.0 100.0

Percentage of eligible voters casting blank ballots or declining to state party affiliation 3.5 4.0 6.5 6.0 4.5

(Number of citizens interviewed) (1,002)(2,192) (953) (1,545)(1,512)(1,552)

* The question was: "Which party do you intend to vote for in the parliamentary election?"

Interviews for the most recent month were conducted during house visits from 3 to 16 November.

The answers were given in the form of sealed ballots. In the September 1982 election, the Conservatives received 23.6 percent of the vote, while the Center Party received 15.5 percent, the Liberal Party 5.9 percent, the Social Democrats 45.6 percent, and the Left Party-Communists 5.6 percent. The figures in the voter barometers should be compared with each other, however, and not with the election results. The reason is that the oldest eligible voters are not interviewed, everyone affiliated with a party does not vote, and the intention to vote varies among parties. The figures are rounded off to .5 percent.

No attention should be paid to changes from a trend level (see above, below the graph) that are less than 2 percent for the Social Democrats and Conservatives and less than 1.5 percent for the other parties. It should also be remembered that isolated changes in a series do not necessarily indicate a new trend.

11798
CSO: 3650/71

POLL INDICATES APPROVAL FOR COOPERATION AMONG OPPOSITION

Stockholm SVENSKA DAGBLADET in Swedish 28 Nov 82 p 2

[Editorial: "Conservative Trend Continues"]

[Text] Today SVENSKA DAGBLADET is able to present the second voter barometer by SIFO [Swedish Institute for Public Opinion Polls] since the election. Compared to the voter barometer from 3 weeks ago and the election result, the Conservatives can record an obvious success--nearly 3.5 percent in comparison with the election outcome.

It is usually the case that in postelection polls of political opinion, the trend noted on election day continues. That holds true this time with the Conservatives. On the other hand, the Center Party's sudden spurt just before the election has turned into a downward trend amounting to 2 percent. For the Social Democrats, there is an insignificant shift downward. In their case, therefore, the saying that success breeds success is not holding true.

It is usually always claimed that political opinion polls should be taken with two very large grains of salt. But the truth that one should not draw excessively far-reaching conclusions does not mean that one should not draw any conclusions at all. There is an advantage to the fact that the Social Democrats and the nonsocialist parties are equally strong. It is the Communists who give the Social Democrats the upper hand. The nonsocialists, with 45 percent of the vote behind them, are a power to be reckoned with.

So what the democratic opposition can be glad about is the fact that from all indications, it has a well-timbered platform from which to operate. What has happened within the nonsocialist camp is that in terms of the election result, the Conservatives have further increased their advantage over the two middle parties. There are many indications that in its exposed position on election day, the Liberal Party was helped by so-called tactical voters--the same being true of the Communists on the socialist side--and that Falldin's remarks in the final stages of the election campaign brought the Center Party up. What may have happened after the election is that the Social Democratic policy in all its defiant forms has pushed nonsocialist voters toward the party that has most strongly opposed the new government.

From all indications, the Conservatives have now successfully completed their change in leadership and their transition between generations. With the election over, Ulf Adelsohn has finally been able to play the whole field, so to speak--to be active both as party leader and as the parliamentary group's foremost member. This will provide entirely different possibilities for action in the future, and they should prove useful to Adelsohn. All the same, it should be borne in mind that the party's success is probably due especially to the fact that the policy pursued before election day did not have to be changed after the votes were counted.

The main thing that the Conservative Party's rise in the polls has to say to the Center Party is that the path to success lies in joint opposition to Social Democratic policy. It is scarcely likely that divisive capers on the local level and exhortations not to associate with the Conservatives will appeal to nonsocialist voters. It takes time to get over an election defeat and the loss of government power, but with our short terms of office, the next election is already just around the corner, and it is therefore important for nonsocialist Sweden to close ranks.

The Liberal Party finds itself in the middle of a heartrending crisis of party and personality that has been made worse by Per Ahlmark's repeated dagger thrusts at Ola Ullsten. The party is living dangerously--practically tottering on the brink of losing representation in Parliament because of the 4-percent rule. And there is not likely to be any change until its internal situation has been straightened out. The Liberal Party also has conclusions to draw from SIFO's polls. It is easy to see from the long-term graph how the "miraculous night" was quickly followed by a devastating collapse in voter sympathies.

The Social Democrats are doing the sensible thing by not interpreting the voter barometer to mean that their extreme belt-tightening policy and broken election promises have escaped the attention of the voters. As SVENSKA DAGBLADET pointed out in a commentary on the first voter barometer following the election, it often takes time for political effects to tip the scales among the voters. What the voters have witnessed so far, of course, are only the signals and the first decisions. It is only when the policy begins to have its effect in daily life and becomes noticeable to individuals as such that the reaction can be expected. The newly redeemed are still able to live on hopes. But it will not be long before even they will have to get acquainted with realities.

One's wish for the government's influential inner circle (the inner cabinet that Palme does not want to let on exists) is that it will become clear about the fact that the Social Democrats are not stronger than the nonsocialists combined and that the policy of arrogance that we have seen so many examples of will thereby come to an end. That would benefit the Social Democratic Party. What is most important, however, is that it would be best for Sweden.

11798

CSO: 3650/71

DEFENSE OUTLAYS FOR EQUIPMENT, PERSONNEL IN 1980, 1982

Paris SERVICE D'INFORMATION ET DE RELATIONS PUBLIQUES DES ARMEES in French
1982 [no page Nos given]

[Fact Sheet by Armed Forces Information and Public Relations Service (SIRPA):
"Defense and Employment"]

[Text] A country's defense expenditures are designed primarily to ensure that country's security. They also contribute substantially to national economic activity by distributing income and creating jobs.

The purpose of this fact sheet is to appraise that contribution.

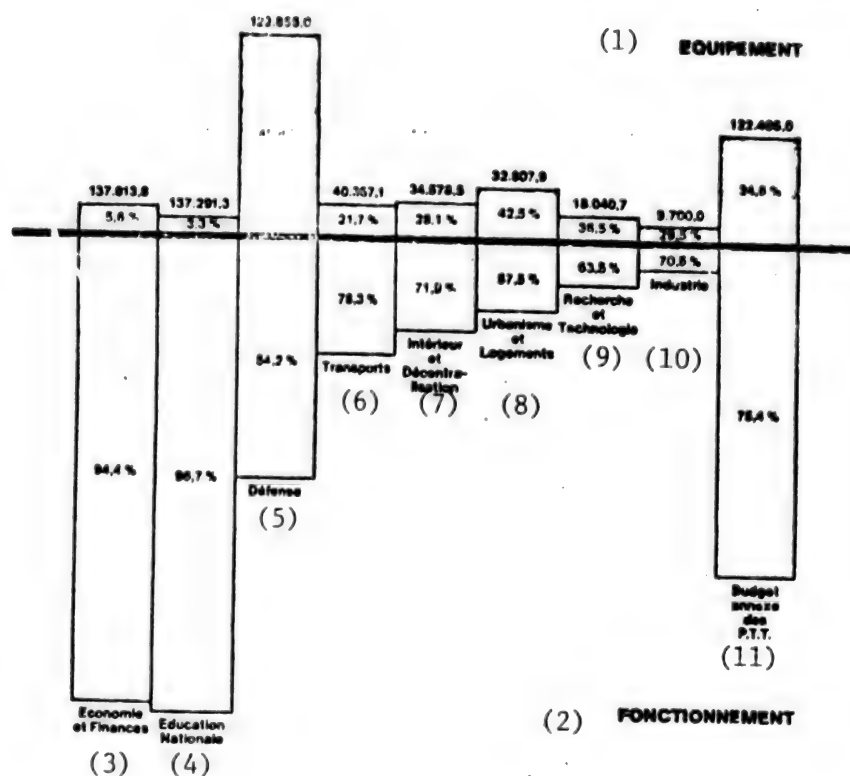
Obviously the size of the contribution can be measured at once by the percentage of the national budget allocated to defense spending. The military budget is by its very size one of the government's foremost budgets. From the standpoint of procurement (equipment) expenditures, it is the number-one budget (Table 1).

These procurement expenditures are disseminated throughout all sectors of the national economy (Table 2). Combined with operating expenditures, i.e. pay and allowances of defense personnel (Table 3), they have a major impact on employment. They create jobs not only in the arms industry (Table 4) but also in other highly varied fields of economic activity (Table 5).

All in all, defense spending currently provides a livelihood for a total of more than 1.1 million French workers (Table 5).

Table 1. Procurement and Operating Expenditures in Defense Ministry Budget Compared With Similar Expenditures in Budgets of Other Ministries

A large part, approximately 46 percent, of the defense ministry budget is allocated to procurement expenditures, whereas in other ministries the preponderant share of their budgets is earmarked for operating expenditures.



Key:

1. Procurement expenditures
2. Operating expenditures
3. Ministry of Economy and Finance
4. Ministry of National Education
5. Ministry of Defense
6. Ministry of Transportation
7. Ministry of Interior and Decentralization
8. Ministry of Urban Affairs and Housing
9. Ministry of Research and Technology
10. Ministry of Industry
11. Supplementary budget of the Ministry of Posts and Telecommunications

Source: JOURNAL OFFICIEL, 1 January 1982

Titles III and IV (ordinary expenditures) and Titles V, VI, and VII (capital expenditures) of the various ministries based on funds appropriated by Parliament.

Table 2. 1980 Defense Budget's Role in the French Economy

Principal sectors affected by transactions in goods and services

<u>Sector</u>	<u>Amount*</u>	<u>Percentage**</u>
Agriculture & food	1.783	3.12
Energy production, distribution	4.653	8.15
Aircraft manufacture	12.174	21.33
Shipbuilding	4.376	7.68
Weaponry	5.002	8.77
Electronics	2.622	4.59
Construction & civil engineering	3.216	5.64
Post, telecommunications, transportation	2.097	3.67
Commercial & noncommercial services	9.680	16.96
Intermediate goods industry	1.055	1.85
Consumer goods industry	1.731	3.04
Miscellaneous capital goods industry	2.940	5.16
Other expenditures	<u>5.759</u>	<u>10.04</u>
TOTAL	57.088	100

* In billions of francs, all taxes included.

** Percentage of total defense purchases.

The most significant items in the above-listed Defense Ministry purchases are:

a.. Aircraft manufacture, shipbuilding, and weaponry which account for 38 percent of the ministry's purchases;

b. Commercial and noncommercial services which account for 17 percent of all transactions in goods and services.

N.B. Expenditures correspond to Defense Ministry purchases from the productive sphere of the French economy (including commercial accounts).

Table 3. Personnel and Their Total Pay and Allowances

Number of Defense Ministry Personnel in 1982*

a. Military personnel: 577,564, including 315,209 regulars and 262,355 draftees.

b. Civilian personnel: 144,512, including 46,296 white-collar workers and 98,216 blue-collar workers.

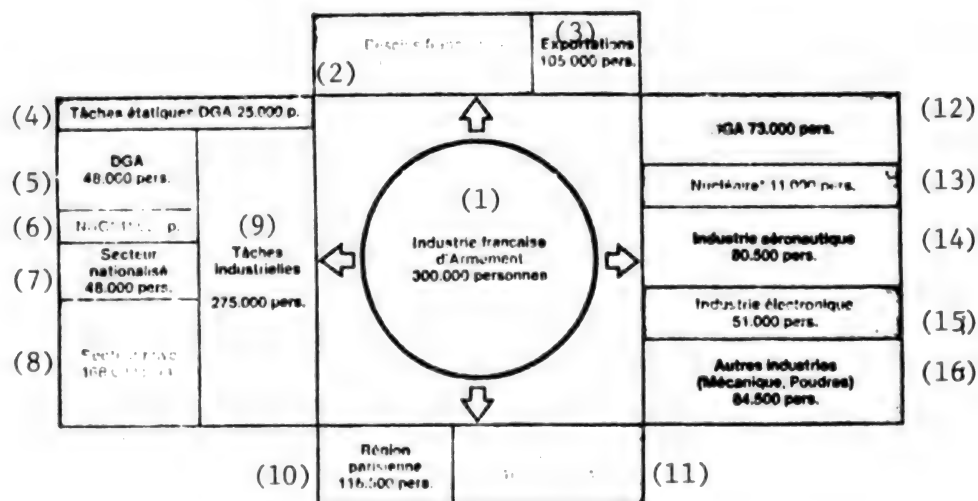
Breakdown of Pay by Personnel Categories*
(in millions of francs)

<u>Categories</u>	<u>1981</u>		<u>1982</u>	
	<u>Pay</u>	<u>Percent</u>	<u>Pay</u>	<u>Percent</u>
Civilian personnel	11,395.6	26.6	13,084.9	28.3
Military personnel				
regulars	30,287.8	70.6	31,595	68.4
Military personnel				
draftees	<u>1,195.9</u>	<u>2.8</u>	<u>1,519.5</u>	<u>3.3</u>
Total	42,879.3	100	46,199.4	100
Military pensions				
(for the record)	18,771.6		21,541.9	

* Personnel paid directly from funds in the Defense Ministry budget, commercial accounts personnel, and personnel paid from the supplementary budget of the Central Directorate for Fuels.

Table 4. Arms Industry Employees

a. In 1980



Key:

1. French arms industry: 300,000 persons
2. French national requirements: 194,000 persons
3. Exports: 105,000 persons
4. Strictly governmental [i.e. nonindustrial] tasks in DGA [General Delegation for Armament]: 25,000 persons
5. DGA: 48,000 persons
6. Nuclear (CEA [Atomic Energy Commission] and its subsidiaries COGEMA [General Nuclear Materials Company] and TECHNICATOME: 11,000 persons
7. Nationalized sector: 48,000 persons
8. Private sector: 168,000 persons
9. Industrial tasks: 275,000 persons
10. Paris area: 116,500 persons
11. Rest of country: 183,500 persons
12. DGA: 73,000 persons
13. Nuclear: 11,000 persons
14. Aircraft industry: 80,500 persons
15. Electronics industry: 51,000 persons
16. Other industries (machine, explosives): 84,500 persons

b. In 1982

Number of personnel will be as follows: * DGA, 75,000 persons; nuclear, 11,000 persons; nationalized and private industrial sectors, 240,000 persons, for a grand total of 326,000 persons. This is an increase of 26,000 persons or 8.1 percent.

* Figures for 1982 are a projection of 1980 figures and based on the increased amount of funds for goods and services in the 1982 Defense Ministry budget compared with the 1980 budget.

Table 5. Jobs Generated by Defense Activities

a. Defense Personnel (exclusive of DGA)

	<u>1980</u>	<u>1982</u>
Civilian personnel	72,000	77,000
Military personnel, regulars	307,000	310,000 ⁽¹⁾
Military personnel, draftees	<u>262,000</u>	<u>262,000</u>
Total	641,000	649,000

b. Personnel in Arms Industry

	<u>1980</u>	<u>1982</u>
DGA personnel		
Civilians	67,000	69,000
Military	4,000	4,000

Nuclear	11,000	11,000
Nationalized & private industry	<u>216,000</u>	<u>240,000</u> ⁽²⁾
Total	298,000	324,000

c. Jobs Outside Arms Industry

	<u>1980</u>	<u>1982</u>
Farm products & food	15,000	17,000
Industrial goods including:	47,000	52,000
metal products:	13,000	
textiles & clothing:	10,000	
Services (exclusive of military research) ⁽³⁾	40,000	44,000
Construction & civil engineering	14,000	15,000
Miscellaneous	<u>10,000</u>	<u>11,000</u>
Total	126,000	139,000 ⁽³⁾

Grand Total of Jobs Generated
by Defense Activities 1,065,000 1,112,000

1. Some 2,000 military are working for the DGA, thereby raising DGA personnel in the arms industry to 73,000 in 1980 and 75,000 in 1982, and total personnel in the arms industry to 300,000 in 1980 and 326,000 in 1982 (see Table 4).

2. Figures for 1982 are a projection of 1980 figures and based on the increased amount of funds for goods and services in the 1982 Defense Ministry budget compared with the 1980 budget.

3. Personnel engaged in military research are already included in "personnel in arms industry" (subparagraph b above).

In 1980, some 1,065,000 persons were directly or indirectly employed as follows in defense-related activities: defense personnel proper: 614,000 jobs; arms industry personnel: 298,000 jobs; personnel outside the arms industry: 126,000 jobs; total: 1,065,000 jobs.

Projection of these figures into 1982* shows an appreciable increase, as

follows: defense personnel proper: 649,000 jobs (+8,000); arms industry personnel: 324,000 jobs (+26,000); personnel outside the arms industry: 139,000 jobs (+13,000); total: 1,112,000 jobs (+47,000).

* Figures for 1982 are a projection of 1980 figures and based on the increased amount of funds for goods and services in the 1982 Defense Ministry budget compared with the 1980 budget.

From 1980 to 1982, only 2,400 new jobs (mainly in the Gendarmerie) were funded as Defense Ministry "operating expenditures." In other words, of the 47,000 additional jobs noted above for the same period, 44,600 are due to defense activities, i.e. primarily to increased capital expenditures in the Defense Ministry budget.

8041

CSO: 3519/184

COMMAND STRUCTURE, MISSIONS, LOCATIONS OF 7TH ARMORED DIVISION

Paris TAM in French 12 Nov 82 p 22

[Article by J.P. Coppin: "The 7th DB (Armored Division): Just What Is It?"]

[Excerpts] The 7th DB, with a strength of 8,000 men and 2,000 vehicles, including 500 armored vehicles, is one of the four armored divisions that make up the 1st Army Corps. Its general staff is in Besancon.

The Army "Firm"

The Army is about 300,000 persons commanded by a "big boss," the Army chief of staff (the CEMAT). He has three "directorates": these are the three Army Corps (CA's), which have their "headquarters" at Metz (1st CA), Baden-Baden (2nd CA) and Paris (3rd CA). Each of these Army Corps has certain "subsidiaries," which are the armored divisions. For example, the 1st CA has the 4th DB at Nancy, the 6th DB at Strasbourg, the 10th at Chalons-sur-Marne, and the 7th at Besancon.

Eight Regiments

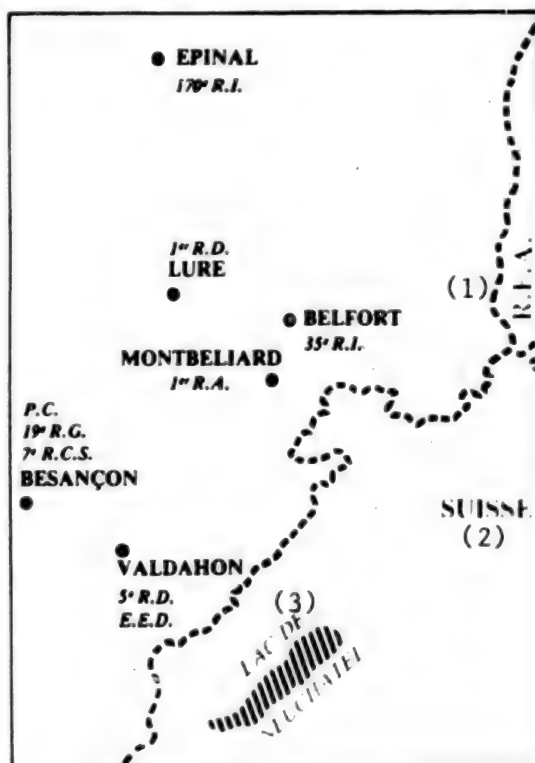
The 7th Armored Division is therefore under the orders of the general commanding the 1st CA. It has its PC [Command Post] in the Ruty district of Besancon and is led by a general who has eight regiments at his disposal. To resume the schematic comparison with a "firm," let us say that the "subsidiary" DB has "agencies" which are the regiments.

The 7th DB thus has two mechanized Infantry Regiments (RI)--the 35th RI at Belfort and the 170th RI at Epinal; two tank regiments--the 1st Dragoons at Lure and the 5th Dragoons at Valdahon; a division reconnaissance squadron; an artillery regiment (RA)--the 1st RA, at Montbeliard; an engineering regiment (RG)--the 19th RG, at Besancon; and a command and support regiment (RCS)--the 7th RCS, at Besancon.

The Mission? That of the DB's

The mission of all armored divisions is the same. That is, within its Army Corps, it is to react against any eventual aggression threatening the borders

of metropolitan France, test the adversary's intentions, and give him a final warning before the president of the republic takes a decision on nuclear fire.



Key:

1. FRG

2. Lake Neuchatel

3. Switzerland

The 7th DB

Personnel:

- 450 officers;
- 1,500 noncommissioned officers;
- 6,000 enlisted men, 1/3 of whom are from the Rhone-Alpes and Mediterranean region, 1/4 from the northeast and 1/4 from the Paris region; the rest come from the west, the southwest and the overseas departments and territories;
- 600 civilians.

Materiel:

- 2,000 vehicles, including 500 armored:
 - 130 AMX-30 tanks;
 - 26 AMX-13 tanks;
 - 8 AMX-13 tanks armed with SS-11 missiles;
 - VTT's [cross-country vehicles]: 100 AMX-10-RC's and 105 AMX-13's;
- artillery: 21 155-mm pieces;
- antitank weaponry: 31 ramps for Milan antitank missiles;
- engineering materiel: 26 Gillois machines.

11267

CSO: 3519/222

LUXEUIL AIR BASE SERVES ARBOIS, 4TH FIGHTER SQUADRON

Paris TAM in French 12 Nov 82 p 16

[Article by Christian Domergue: "The Mirages of Luxeuil"]

[Excerpts] The small city of Luxeuil-les-Bains, renowned for its thermal cures, is equally celebrated through the installation of its air base--an aeronautical platform where more than 2,000 persons live and work on a permanent basis.

With its low, dark-facaded buildings and its wide strips of lawn and trees, the air base of Luxeuil could be a model base. In any case, it is one of the most heavily operational bases in the eastern part of France, with the incessant merry-go-round of its Mirages on its two runways.

Today, with more than 2,000 persons, the Luxeuil-Saint-Sauveur base is the most important military formation in the Haute-Saone.

FATAC [Tactical Air Force] and FAS [Strategic Air Forces]

In 1982, this Air Force unit is serving as support for two air units:

--the 4th Fighter Wing, under the command of the Tactical Air Force (see below); it comprises two squadrons of Mirage III-E's, "Dauphine" and "Lafayette," the latter being the French successor to the American volunteer flight formed in 1961;

--the "Arbois" bomber squadron, a strategic nuclear-bombardment formation, equipped with Mirage IV's, comes under the Strategic Air Forces.

One should also note the radar prediction and instruction center, equipped with Mystere 20's on which have been mounted radars identical to those of the Mirage III-E's, and the mission of which is the training of young Mirage III-E pilots in all-weather and very-low-altitude radar navigation.

The FATAC, 1st RA [Air Region]

The FATAC, whose PC [Command Post] is at Metz, is commanded by Air Force Lieutenant General Forget.

It covers the entire range of tactical combat-aviation tasks (reconnaissance; attack--conventional and nuclear; cover), and its commitment alongside the 1st Army, in the event of threat on the northeast border, is one of its essential missions.

The FATAAC has 330 combat planes (Jaguars and Mirage III's), grouped in 22 squadrons. The commander of the FATAAC is at the same time the commander of the 1st Air Region. He thus has authority over 14 air bases.

11267

CSO: 3519/222

UNITS, SHIPS DETAILED TO INDIAN OCEAN LISTED

Paris TAM in French 17 Dec 82 p 17

[Article by J.V. Buche]

[Excerpts] From Africa to Australia, from India to the Antarctic: an ocean--the Indian Ocean--that is 35 times the size of the Mediterranean. And in its water, warships--American, Soviet and French. It is difficult at first to understand the reasons for the French presence in this region, far from our coasts. Yet two factors fully justify the French military deployment: oil and French interests.

Sailors 24 Hours a Day

When you say "fleet," you say "sailors." And those who are in service in the FMOI [Maritime Forces of the Indian Ocean] are not the least: spending most of their time at sea, confronted with problems of all kinds in this region of political troubles, they must demonstrate both human and professional qualities.

Paradoxically, it is partly thanks to these sailors on the other side of the world that France conserves its international prestige and maintains its vital supplies.

Some 20 Warships

For carrying out their protection role, the Maritime Forces of the Indian Ocean have two categories of units:

The Permanent Units:

- 2 refuellers: "La Charente" and "Isere";
- 1 permanent shop ship: "Jules Verne";
- 1 logistical-support ship: "Rhin";
- 1 light-transport ship: "Champlain";
- 3 dispatch boat-escorts: "Protet," "Amiral Charner" and "Commandant Riviere";

1 aviso: "Quartier-maitre Anquetil," which comes under the squadron escort "Commandant Bourdais";
1 craft for landing infantry and tanks: "EDIC 9091";
2 patrol boats: "Altair" and "Epee";
as well as various landing craft and two patrol boats of the National Gendarmerie.

The Temporary-Reinforcement Units:

1 missile-launching ship: "Kersaint";
1 attack submarine: "La Praya";
1 dispatch boat: "d'Estienne D'Orves";
1 Breguet Atlantic for maritime surveillance;
1 Marine Commando unit.

These forces as a whole represent nearly 15 percent of the Navy's ships and nearly 30 percent of its total activity. They are commanded by the admiral commanding the FMOI ("Alindien"), who sails with his general staff on the refueller-command ship "La Charente."

11267

CSO: 3519/222

TWO ARMY UNITS, THREE SHIPS STATIONED IN MARTINIQUE

Paris TAM in French 17 Dec 82 p 13

[Article by Ch. Domergue and J.-P. Maillet: "Armed Forces in Martinique"]

[Excerpts] Two units of the Army and three ships of the Navy--these are eloquent figures for describing the importance of our forces in this department. The 16th Command and Services Battalion, created 1 August 1978, administers the personnel of the Army's general staffs and services. Quite a complex group, it comprises 16 organisms geographically scattered over the island (signaling, supply, materiel and structures service, medical corps, etc). It also provides for transport of personnel and material on departure and arrival at Fort-de-France, the island's capital. Managing, organizing and coordinating these various tasks is no small matter: it is the domain of the command and services company of the "16th," which is stationed in the Gerbault district.

Traditions and Current Circumstances

While the Martinique armed forces are administered by the 16th Battalion, its combat elements are represented by the 33rd Marine Infantry Regiment, the regiment of tradition of the Antilles-Guyane.

Installed on the island since 1962, it is the heir of the 33rd Colonial Infantry Regiment, a prestigious name in the last two World Wars, in the course of which many Antilleans and Guyanese met death. The central portion of the regiment occupies Fort Desaix and Fort Tartenson. A combat company and a second reconnaissance section are installed at the Dugommier camp in Guadeloupe (Pointe-a-Pitre).

The Armed Forces of the Antilles-Guyane

--Army.....	2,800 men
--adapted military service.....	2,800 men
--National Gendarmerie.....	1,000 men
--Navy.....	280 men
--Air Force.....	120 men
Total.....	7,000 men

11267

CSO: 3519/222

MAINTENANCE OF 'CLEMENCEAU' CATAPULTS DESCRIBED

Paris TAM in French 25 Nov 82 pp 14-15

[Article: "The Carrot and the Airplanes"]

[Excerpts] The catapults--two of them per ship--are indispensable to the aircraft carriers. They enable aircraft weighing up to 15 tons to reach 130 knots (240 km/hr) in a few 10's of meters and to take off.

They are given extra-special care and are completely disassembled and overhauled by the DCAN [Directorate of Naval Construction and Weapons] of Toulon after every 5,000 launchings. After painstaking rebuilding, there remains, in liaison with the on-board personnel, a vital operation to be carried out before the tests at sea: calibration:

The "Clemenceau," immense and majestic in the Toulon naval yard, is tied up port to dockside. The aircraft carrier, on Programmed Unavailability for Maintenance and Repair (IPER), has overhauled and checked almost all of its equipment. With its stem pointed seaward, it gets ready to launch mockups with its forward catapult.

These mockups, not very original in their shapes, are remarkable especially by their weight, which ranges from 5 to 16 tons and corresponds to the weights of the different airplanes in various configurations.

Adjustment of the "Carrot"

The first launchings of mockups are done with different settings of the "carrot" (a part in the shape of the vegetable of the same name that controls the flow of steam), so as to define the position at which the speed/acceleration performance characteristics are optimal. The launchings that follow serve to establish the calibration curves that make it possible to deduce, for a given weight and a speed desired, the pressure to use.

These tests constitute the final phase of the 60,000 hours devoted to the catapults by the personnel of the Aviation Production Unit (UPA) of the DCAN, where, as its chief, IETA [expansion unknown] Brossard, notes, "each simple act affects the final result."

The Aircraft Carrier "Clemenceau"

Personnel Strength:

- PA [aircraft-carrier] version: 1,850 men (including 550 belonging to the on-board air group);
- PH [helicopter-carrier] version: 1,050 (plus the personnel of the helicopter fleets).

Aviation Installations:

- They make it possible to receive, maintain and place in service 35 to 40 aircraft (Crusaders, Super Etendards, Etendards, Alizes, Super Frelons, WG [expansion unknown] 13 Lynxes and Alouettes;
- oblique runway, 168 m X 20 m.

Machinery:

- 6 main boilers that can produce 126,000 HP on two lines of shafting;
- maximum speed: 32 knots.

Artillery:

- 8 turrets for 100-mm automatic cannons (60 rounds per minute).

11267

CSO: 3519/222

POLL REGISTERS SLIGHT DROP IN SUPPORT FOR DEFENSE, NATO

Oslo AFTENPOSTEN in Norwegian 11 Dec 82 p 3

[Text] Eight out of 10 Norwegians think a strong national defense is important to prevent Norway from being involved in war. And about three-fourths of the population consider our NATO connection essential to guarantee the country's peace. This is confirmed once more in an opinion poll carried out by Norwegian Market Data at the end of October and beginning of November 1982.

The main figures are unchanged, so to speak, from those of a corresponding poll that was taken in September 1981. When it comes to the question of preserving peace, there are only 14 and 12 percent respectively that think that a strong national defense and NATO membership are non-essential. Just the same, according to Norwegian Market Data, that is somewhat more than in the fall of 1981.

Both studies are based on a nationwide sampling of women and men over 15 years of age, about 1,370 persons in all.

The first question was put as follows: "In regard to preventing Norway from being involved in war, how important would you say it is for Norway to have a strong national defense?"

The first column of the table below shows the results of the corresponding study in September 1981.

	Total Sept. 1981	Total Nov. 1982	P o l i t i c a l S y m p a t h y *						
	%	%	A	SV	H	Kr.F.	S	V	Frp.
Extremely important	56	55	52	19	73	56	57	34	75
Rather important	22	20	23	24	17	21	23	21	13
Not very important	7	7	6	11	5	10	5	13	-
Rather unimportant	8	9	9	21	3	5	10	21	8
Entirely unimportant	4	5	6	21	1	3	-	5	-
Don't know	3	4	4	4	1	5	5	6	4
Total	100	100	100	100	100	100	100	100	100

*For the abbreviations, see the next page.

The second question ran: "To preserve peace in Norway--how important would you say it is that Norway's defense is tied to NATO?"

	Total Sept. 1981	Total Nov. 1982	P o l i t i c a l S y m p a t h y*						
	%	%	A	SV	H	Kr.F.	S	V	Frp.
Extremely important	55	52	43	8	76	51	59	37	73
Rather important	19	18	21	5	13	25	16	29	15
Not very important	6	7	10	13	3	6	5	8	-
Rather unimportant	4	5	7	27	1	-	2	8	4
Entirely unimportant	4	7	8	37	1	3	8	11	2
Don't know	12	11	11	10	6	15	10	7	6
Total	100	100	100	100	100	100	100	100	100

*A = Labor Party; SV = Socialist Left Party; H = Conservative Party; Kr.F. = Christian People's Party; S = Center Party; V = Liberal Party; Frp = Progressive Party.

The tables above show great differences depending on the political sympathies of those asked. The difference between the Conservative Party and the Socialist Left Party is striking. Among the Labor Party's and the Liberal Party's voters there is a very clear majority that say that NATO membership is important, but still a smaller majority than among the average of all asked--and also somewhat fewer than in the 1981 poll. When it comes to the non-socialist parties' voters, there is broad agreement that a strong defense and NATO membership are important to preserve peace in the country.

Other breakdowns show that a strong defense and NATO membership are considered more important in the middle and older age groups than among the young. The percentage of doubt is somewhat greater among women than among men.

8815

CSO: 3639/38

ELECTRONIC FIRE CONTROL DEVICES BEING SUPPLIED TO ARTILLERY

Oslo AFTENPOSTEN in Norwegian 10 Dec 82 p 12

[Article by Knut Falchenberg]

[Text] The field artillery will get an electronic transmission system for firing data. The Oslo firm of Siemens A/S [A/S = Inc.] is in full swing preparing for production of the system, and Inge Bø, a department director in the firm, tells AFTENPOSTEN about a project with a contract value of about 40 million kroner.

Hitting the target with guns that are several kilometers from the enemy is no simple matter. It is still harder to hit the mark with the first shot, so as not to use up ammunition correcting the aim.

Norway has in a way been a pioneer country within NATO in regard to modern fire control for artillery. In recent years it has been routine here to data-process all important firing data in the field. In the so-called "Odin system" made by Kongsberg Våpenfabrikk (Kongsberg Arms Factory) it is possible to feed in information about wind conditions, map coordinates, and temperature of the powder. The field artillery also measures the velocity of the projectile by radar, but lacks weather balloons that register air pressure and humidity at various altitudes, and distances are measured with laser beams. Before firing.

The latest addition to this advanced equipment is a new data system that provides fast and sure transmission of the information. From the observers far to the front reports are sent back to the rear lines where the artillery is stationed. Now this reporting will be done faster and more securely under conditions where the enemy is engaging in electronic warfare.

The observers key in their information about the various enemy targets, and at lightning speed this shows up on a screen back where the central memory is. The data transmission itself can be done either by radio or over field lines strung in the terrain.

"We had a development contract that ran until 1981. Earlier this year we signed a new contract with the Army Supply Corps, and we are now in full swing preparing a trial run," says director Inge Bø of Siemens A/S. "The first deliveries will take place next year, and when they have been properly tested by Defense we

will start up real production with deliveries up to 1986," says Bø. He is assuming in this that the first products turn out well. The amount of the contract is about 40 million kroner.

"For us this is a breakthrough in military technology, and it is our first defense project based on the firm's Norwegian development facilities. Through this project we have built up quality standards in line with strict military norms, and it will be an important job to find fields of work where we can make use of this knowledge," says department director Inge Bø.

8815

CS0: 3639/38

CONFERENCE VIEWS ROLE, PROBLEMS OF NAVY

Madrid EL PAIS in Spanish 7 Dec 82 p 18

[Article by Rafael Jorba]

[Text] One of the conclusions in the report, "Acquiring and Maintaining Power," presented by Commander Vicente Cuquerella Jarillo in the naval orientation course for journalists held last week in Madrid, Rota and Cartagena, was the contention that, based on the provisions of the current Armed Forces Appropriations Bill, approved before the last legislature was adjourned, the Spanish Navy will be inoperative starting in 1995. A report by the Navy General Staff on these considerations will be submitted to the new minister of defense, Narcis Serra.

In an earlier conference on "Spain's Maritime Condition," another professor at the Naval War College, Commander Enrique Amusatogui de la Cierva, sketched a geostrategic analysis of the Iberian Peninsula's situation, which was to serve as the premise for establishing the goal of strength which the navy has set for itself in order to meet hypothetical foreign threats.

As mentioned in the General Plan of the Navy, these threats include, in this order, the occupation of the Canary and Balearic Islands; Moroccan annexation, by force of arms, of the Spanish cities in Africa--Ceuta and Melilla--and harassment of our shipping routes. This latter threat, considered "most likely" by navy strategists, is related to the fact that 92 percent of our foreign trade is carried out via shipping routes within the area of Spanish influence. In this regard, the navy attributes special importance to naval strength as a "instrument of policy" or so-called gunboat diplomacy.

Zones of "Vital Interest"

Concerning the areas for which the Spanish Navy is responsible, it has outlined two zones: one of "general interest" and the other of "vital interest." The latter would be defined by the Azores-Gibraltar-Canaries triangle, the zone of the Strait of Gibraltar and the Mediterranean triangle. According to this analysis, the navy considers control of the strategic Canary Islands-Strait of Gibraltar-Balearic Islands axis to be vital, in contrast to other land hypotheses defining the Strait of Gibraltar-Pyrenees axis.

Spanish policy "must be predominantly naval," the authors of the report maintained, adding that they were not attempting to "neglect the Mediterranean, but rather to get back to considering the Atlantic." These assumptions of the navy also consider Spain's role as a "rear guard," and not a "redoubt," for supplies from the United States to Western Europe in the event of a conflict with the East. "The sea," they added, "is the easiest zone to nuclearize with tactical, nonstrategic weapons."

In the conference on "Acquiring and Maintaining Power," the reporter took as his premise that the "navy's problem is due to the Spanish people's lack of a maritime mentality" and then went on to analyze the goal of naval power set forth in the Joint Strategic Plan of the Armed Forces. The navy considers the FAS [Armed Security Forces] Appropriations Bill (1982) "a minimum bill." According to Naval War College professors, the civilian population sees only the "cost of acquiring" power, but not the costs deriving from the life cycle of naval vessels: their maintenance, use and operativeness. Whereas a project's cost of implementation was 31.5 percent, its maintenance is figured at 25.7 percent and its operativeness at 42 percent.

From the budgetary provisions of the FAS Appropriations Bill, the navy concludes that while personnel expenses will not increase, defense materiel expenses are tied to the gross domestic product (GDP). In this budgetary distribution among the FAS, personnel expenses represent 41 percent, with investments and force maintenance distributed as follows: 23.8 percent for the army, 17 percent for the navy and 16 percent for the air force.

With this distribution percentage, which in the navy's opinion is inadequate for the strategic challenge which its forces must meet, the Spanish fleet, if the building plan drawn up by the navy is not approved, will no longer be operative by the 1990's. "By 1995, we will have almost no navy," the reporter maintained. The navy, according to another conference reporter, wants the distribution among the three armed forces to be 33 percent, proportional to each branch.

From the analysis of the present Spanish navy, the reporter concluded that our fleet is "old," that 50 percent of its tonnage has exceeded its useful life and that if budget allocations are not modified, it will be unable to meet the "threats of technology." For example, the navy believes that its current Naval Air Group, with the "Dedalo" as its backbone, will be operative for only 5 more years, until the aircraft carrier "Principe de Asturias" is put into service. If its supplementary building plan is not approved, the navy believes that the shipyards of Empresa Nacional Bazan would be without work in 1988.

According to the navy, its building plan, which provides for projects ranging from a destroyer to six missile-launching patrol boats and vessels for amphibious and rescue forces, would make it possible to provide work for Bazan's three factories and to replace the current supplementary exports plan. Financial expenses for 1983-90 are estimated at 588.000 billion pesetas, which fits in with budgetary allocations (635.000 billion). However, the "minimum plan" devised by the navy for the 1990's has a 115.000-billion difference over what is covered by the current FAS Appropriations Bill.

This data, compiled in a detailed report, will be submitted by the navy's chief of staff, Admiral Saturnino Suanzes de la Hidalga, to the new minister of defense, Narcis Serra. "I am aware that my duty is to bring up these problems and you can be sure that I will do so," the military leader said on Saturday during the closing ceremonies of the naval information course for journalists, which was organized by the Naval War College and directed by Vice Admiral Salvador Moreno de Alboran y Reyna.

11915

CSO: 3548/57

FIRST WOMEN OFFICERS IN ARMED FORCES RECEIVE COMMISSIONS

Stockholm DAGENS NYHETER in Swedish 18 Dec 82 p 28

[Article by Bengt Falkkloo]

[Text] Second Lieutenants Karlsen, Nilsson, Samuelsson, and Wilhelmsson received their commissions on Friday. They now have permanent appointments as part of the Air Force Reserve. There would be nothing special about that if it were not for the fact that their first names are Alexandra, Anna, Siv, and Tina.

They received their commissions from the hands of Lt Gen Sven-Olof Olson, air force commander in chief, and by that act made history in the Swedish Armed Forces.

Those four second lieutenants are Sweden's first women officers.

After taking their examinations at Fl8 in Tullinge, the four second lieutenants said: "Too big a fuss has been made of this.

"There is nothing special about the fact that we are girls. We don't believe that sex will make any major difference when we go out to do the job. There may be difficulties when we have to command guys older than we are who are undergoing their refresher training. They may find it hard to take orders from a young girl."

The four women joined the service with their male comrades in June 1981.

They then plowed through the regular course of compulsory military training until the time came for officer training.

Demobilized Now

Three of them were once members of the Women's Air Force, while Anna Nilsson has no previous connection with the air force or the armed forces.

"We came here straight from upper secondary school. This training was just like that in an ordinary school."

Now they are being demobilized, but on 10 January, two of them will report for duty at Fl6 in Uppsala. After that, they will serve for 15 days each year, and

they will have exactly the same opportunities as their male counterparts to advance and eventually become captains in the reserve.

General Olson said: "But you must remember that you are welcome to apply for permanent positions. Good officers are needed.

"I am happy to be able to graduate four girls as officers, but I am happy mainly because young people are joining the organization."

Advantages

The four women will now serve as combat information center and air surveillance officers in various units.

"Those are two of the most important jobs for defending Sweden. It is you who will be the first to know whether our airspace is being threatened and who will then lead our defense against the enemy."

Occupational experience and qualifying education were two of the chief reasons why the four went through this particular course.

They say: "It has many advantages now that we are starting to cram again."

But what about taking time off from one's job once a year for refresher training?

"The guys do it every year. The only difference is that we are the first girls."

All the services will have women officers within the next few years, but not in combat positions.

When the application period expired a couple of months ago, a total of 500 girls had applied to become officers in the army, navy, and coast artillery.

11798

CSO: 3650/76

ALLEGED INVOLVEMENT OF FIRM BROGGI IZAR IN ARMS TRAFFIC

Rome L'ESPRESSO in Italian 19 Dec 82 pp 285-288

[Article by Giangranco Modolo and Leo Sisti: "Money, Arms and Errors"]

[Text] The arms traffic brings back to the limelight an almost forgotten firm whose business, however, has prospered greatly in recent years. And the magistrate wants to look into it.

Milan--A nest of arms traffickers? Or just a company listed in the Stock Market which is trying for a comeback after years of "stagnation" and is totally innocent? When Carlo Palermo, the Trento magistrate investigating arms and drug smuggling between Italy and Middle East, ordered the arrest of Cesco Dalla Zorza, board member of Broggi Izar, many wondered what was happening to this old firm. In fact, handcuffs had been put previously on the wrists of Renato Gamba, owner of a Brescia firm which sells guns and in which Broggi Izar purchased a minority interest. It was then the turn of Reginald Allas, an individual in charge of Broggi Izar's defense department, who claims connections at the Kremlin, the Pentagon and who knows where else.

After Trento and Brescia, or rather Gardone Val Trompia where arms factories are mushrooming, the judiciary is now looking at the Milan, heart of finance, where the capital necessary to finance any kind of business can be raised, transferred and, above all, recycled with greater speed and ease.

It is strange, but between Broggi Izar and arms there is a kind of historical affinity. This firm, one of the oldest in Italy, was founded in 1818 by the Broggi brothers, goldsmiths and silversmiths from Milan. Even now one of its activities involves the manufacturing of high-quality silverware and silver pieces. Broggi's executives in Melegnano, where the factory is located, tell visitors about past glories, almost all of a fascist fashion; a Benvenuto Cellini "replica" of a sterling silver candelabrum weighing 15 Kgs manufactured in 1940 for Galeazzo Ciano, when the then Secretary of State under Benito Mussolini had to present it to Hiro Hito, emperor of Japan; or a 1934 silverware set reserved for Italo Balbo, newly appointed governor of Libya.

Quite a different era, because of Broggi Izar even bomb fuses were being manufactured. As the items being produced became obsolete, the firm fell into obscurity: silverware sets and silver pieces are still being manufactured today but by now the walls of the Melegnano factory are falling apart. The original owners, the Orlando family, no longer believed in their factor and were letting it run aground. All of a sudden--this is now 1979--something miraculous happened: funds appeared. For 1 billion and 200 million lire the Orlandos got rid of a cumbersome load and the new owners took over. Who are they? Let us see who the board members were at the time: Sergio Corbin, 32 years old, vice-president; Giuseppe Alloni, 31 years old, chairman: two young men unknown in Milan's financial markets, the same ones we find after 3 years (Corbi is now president.) These two men, however, are very active. Corbi handles the financial and Alloni the business aspects.

And something is changing. In 3 years, from 1979 to 1982, Broggi Izar, which was almost on its deathbed, recovers and grows. Capital increases occur at a frantic pace: from 850 million lire 3 years ago to 34 million lire today, even accounting for interest-free transactions and the issuance of bonds. And what about the stockholders? Their official names say little or nothing. They are people and Swiss trust companies behind whom there is just one realith: that 30 percent of Broggi is being handled by Dalla Zorza's CEPIM (See box), which operates on behalf of anonymous clients. However, these stockholders do not lack the funds to participate in capital expansion. On the contrary, the last transaction involving an increase in capital to 34 billion lire from 17 billion was carried out with tremendous success in less than 48 hours.

With money new investments materialize. And the new Broggi becomes an industrial holding, a conglomerate absorbing firms producing arms (that is how Renato Gamba enters the picture), industrial molds, auto accessories, food products. But Broggi Izar is also involved in services: for 880 million lire it purchases 40 percent of Milan I.F. Intermediazione Finanziaria, a financial brokerage house which every month handles approximately 5 billion dollars in the international money markets. Something big must have happened in the offices of this firm, since fiscal inspectors began last week to check its accounting books.

With lead will the magistrate follow next? Everything indicates that judge Palermo will concentrate on Geneva, where Renato Gamba used as base of operations the Richmond hotel, meeting place of the international arms traffic. In the Richmond hotel the industrialist from Val Trompia used to associate himself until a month ago with Bittorio Emanuele di Savoia who, as everybody remembers, regularly sold helicopters to the Shah of Iran. But did Gamba, allas and Dalla Zorza act for themselves or for others? And what is Broggi Izar's role in this affiar involving arms and high finance? "Broggi Izar," says chairman Giuseppe Alloni, "has nothing to do with these crimes. If Gamba or someone else is guilty, and the magistrate can prove it, well, let him stay in jail for 100 years.

"Dalla Zorza in Milan"

Milan--Cesco Dalla Zorza, barely 30 years old, arrives at the Milan stock exchange in 1974 after having gained some experience as security salesman at Fideuram. In via del Bollo he starts Cepim, a brokerage firm dealing in securities which immediately takes off thanks to some outstanding transactions involving Montedison, Montefibre and other securities. Dalla Zorza is known for his "bite-and-run" technique: fast deals presented to his clients with prospects of easy earnings and little risk. And they go along with him in several undertakings to the point that Cepim in a few years can bring its capital stock to 2 billion lire, a large amount for a firm handling the funds of 3,000 clients.

Dalla Zorza, Cepim and Broggi Izar get together in 1979, when the Orlandos get rid of their firm. It is Cepim's responsibility to place Broggi Izar's stock among its clients and Dalla Zorza himself appears as the company's chairman. And that is not all. Up to last summer Cepim's people were offering Broggi's stocks in exchange for farmland and agricultural farms to place at a later date with a foreign financier, apparently the same Bernard Cornfeld for whom Dalla Zorza worked as a young man. And Cornfeld is a friend of Vittorio Emanuele di Savoia.

9758

CSO: 8128/0538

END

END OF

FICHE

DATE FILMED

4 Feb 83 JS